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West Europe Report

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DENMARK CLOSING DOWN HANOI EMBASSY AFTER AID PROGRAM ENDS

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 84 p 4

[Article by Michael Ehrenreich]

[Text] Denmark will be closing down its embassy in Hanoi, the capital of Vietnam, in the course of the next 6 months at the same time as two current Danish aid programs in the country will be concluded.

The closing down of the embassy will take place as part of the cutbacks in the budget of the Foreign Ministry. The closing down of the embassy in Hanoi will result in savings of nearly 1 million kroner.

The representation in Hanoi is, at present, headed by charge d'affaires Ulrik Helweg Larsen. The representation has the status of an embassy.

The aid projects in progress are concerned with the construction of a cement factory and a sugar factory and will, according to Foreign Minister Uffe Ellemann-Jensen, not be followed up by any new aid as long as the Vietnamese have troops in their neighboring country, Kampuchea.

"Denmark will not grant any new loans to Vietnam until the last Vietnamese soldier has left Kampuchea," Uffe Ellemann-Jensen said yesterday on his arrival in Singapore as part of his round trip in the ASEAN area.

On the issue of Kampuchea, Denmark supports the tripartite coalition under the leadership of Prince Sihanouk, who, incidentally, is expected to visit Denmark in the course of the summer.

The other parties to the coalition are Son San and Khmer Rouge.

Denmark grants assistance toward the work in a number of refugee camps on the border of Thailand in an area which is controlled by the coalition.

DEBATE OVER 'PEACE FUND' CAUSING DISSENSION IN SDP

Copenhagen BERLINGSKE TIDENDE in Danish 4 Apr 84 p 6

[Article by Lisbeth Knudsen]

[Text] The Social Democratic magazine NY POLITIK discusses the internal situation within the Social Democratic Party and the labor movement and asks for a change in the way debates are carried on.

The deputy chairman of the Social Democratic Folketing group, Ritt Bjerregaard, is encountering increasing opposition on the part of her fellow party members on account of her involvement in the organization 'the Friends of the Peace Fund.'

It is now the former Social Democratic energy minister, Poul Nielson, who criticizes Ritt Bjerregaard in a new issue of the magazine of the party NY POLITIK. Incidentally, in several written contributions and an editorial, attempts are made to calm down the vehement internal debate within the party.

It has an "undermining effect on the support of the Social Democratic Party within the population for a united reform policy" if the leaders of the party help support the grassroots movements or "single cause movements," as Nielson calls them. On the relations with these movements, Poul Nielson says in NY POLITIK:

"Seen in this perspective, it may, unfortunately, only contribute to the confusion when the deputy chairman of the Folketing group at the end of a commentary in AKTUELT, in which she has not hesitated to take advantage of the authority within the party afforded by her position, requests the readers to send money to a peace committee which she "has helped found in an entirely private capacity."

Lawn Show

The magazine NY POLITIK incidentally, contains a leading article in the same issue, written by three members of the editorial board jointly, which article deals with both the internal debate within the Social Democratic Party and the dispute between the Semi-Skilled Workers Union and the National Union of Iron and Metal Workers within the Federation of Trade Unions.

The leading article was written by the chairman of the Economic Committee of the party, Bent Greve, member of the Folketing and chief editor of the magazine, Jimmy Stahr, and the international secretary of the Federation of Trade Unions, John Svenningsen. The article says:

"The current political and trade union debate within the labor movement has, to some extent, been marked by pronounced personal viewpoints and attacks on other persons within the labor movement. Such a debate often contributes to pushing the actual issues into the background and will readily give occasion to talk about disunion. Disagreement within the Social Democratic Party restricts the influence of the labor movement, and the violent charges on the part of a few trade union leaders, of course, also harm the Social Democratic Party.

The leading participants in this debate from the labor movement cannot possibly have overlooked the fact that the Federation of Trade Unions should be the central platform for a joint trade union policy also in relation to the Social Democratic Party.

The leading article, incidentally, points to the attempts on the part of the Social Democratic members of the Folketing to draw attention to themselves in relation to one another.

"It has been said that the debate within the Social Democratic Party has concentrated on personalities. It is not as bad as that, but on the local level we fully appreciate if some party members find it insufficient for a very large part of their political activity to consist in carrying on a personal election campaign for a candidate to the Folketing. Of course, in an attempt to obtain votes from other parties, but the fact is that the efforts are spent on obtaining personal votes from their own party in the neighboring districts. We may be in the situation that it may be said about the Social Democratic Party that we only use our 'grassroots' when the leaders of the party need a lawn show. We are able to, and have to, make a more energetic contribution to strengthen the work of the entire party on the local level."

Disappointed

The labor movement contributes itself to the debate in NY POLITIK through a written contribution by the chairman of the Federation of Trade Unions, Knud Christensen, who urges the party and the labor movement not to lose themselves in "frustrating discussions," but instead to strengthen the cooperation and increase the efforts to make the voters understand the alternative of the labor movement to the policy pursued by the government. On this subject, former Social Democratic Minister of Housing Erling Olsen says in a written contribution:

"Some of our members believe that we make the best impression by singing the old revolutionary songs, by raising the red flag and behaving as left-wing oriented as possible. However, such a profile will never become anything but a caricature of the Social Democratic Party the way the nonsocialist parties would like to draw it, and in the coming elections the voters would continue to work on the caricature by providing us with an extra long nose. The creation of a Social Democratic profile has got nothing to do with leaning toward the left.

A regular contributor to NY POLITIK, writing under the pseudonym of Altmann, also gives his opinion on the situation within the party. "The reaction of the nonsocialist press to the meeting among representatives of the Social Democratic Party and the Federation of Trade Unions in mid-March is verging on the comical. One might even say the tragi-comical. The meeting at Helsingør, which gave occasion to much nonsocialist pawing, misrepresentation and even a certain amount of nervousness, was, in the final analysis, just another--but quite beautiful--demonstration of the democracy existing within the labor movement. We sit down and discuss things. And, then, we just go on," Altmann writes.

7262

CSO: 3613/130

CP CHAIRMAN THREATENS TO USE UNIONS AGAINST SDP IN 'PEACE' ISSUE

Copenhagen BERLINGSKE TIDENDE in Danish 5 Apr 84 p 6

[Article by Lisbeth Knudsen]

[Text] The chairman of the Communist Party, Jørgen Jensen, now states openly the interest of the Communists in exerting pressure on the Social Democratic Party in the area of the security policy and describes the problems of the Social Democrats in 'finding their own legs' in relation to the peace work within the grassroots movements and within the labor movement.

In the coming weekend, a trade union conference will be held on the Burmeister & Wain island, arranged by the joint organization in Copenhagen/Frederiksberg and by the organization the Labor Movement for Peace. At the said meeting, the chairman of the Social Democratic Party, Anker Jørgensen, and the foreign policy spokesman, Lasse Budtz, as well as the chairman of the Socialist People's Party, Gert Petersen, will, among others, be speaking.

For quite some time, the peace movements and the Labor Movement for Peace have been contemplating how to use the said conference, which is supported by the Trade Union Federation, which is dominated by the Social Democratic Party, to pressure the Social Democrats to take an even stronger position in the security policy area prior to the new decisive debate in early May of the Folketing in this area.

The Communist daily LAND OG FOLK yesterday printed the speech by the Chairman of the Communist Party, Jørgen Jensen, at a meeting of the central committee, held over the past weekend. At the said meeting, Jørgen Jensen said:

"Despite its position in respect of NATO, we note the quite clear positive movements within the Social Democratic Party. They have taken a strong position in respect of the demand for negotiations, in respect of the demand for a nuclear-free zone comprising the Nordic countries. They reject the nuclear missiles of the United States. They will have to be pressured into rejecting depots, agreements on deployment, and cooperation in the planning committee of NATO.

Both for tactical and political reasons, the Social Democratic Party will seek to secure for itself control of the peace movement, especially the peace activities within the labor movement. However, they are searching. Will they be fighting directly the formation of organizations such as the Labor Movement for Peace? Will they be trying to take over the initiative in the formation of organizations? Will the Federation of Trade Unions and the big trade unions become involved? It is our objective to introduce the peace struggle into the labor movement. And great results have been achieved. However, we must be on our guard against 'schematism.' The Labor Movement for Peace in Copenhagen is doing well, it has influence as an independent organization. But there may be other forms."

Jørgen Jensen goes on to establish that the Socialist People's Party in the peace struggle will be playing a somewhat different role than in the trade union struggle. He finds that they have better contacts and that it is easier for them to get into the movements. Jørgen Jensen concludes by saying: "We must not unnecessarily leave political platforms to them. But we must make it our goal to win the voters and members of the Socialist People's Party for a class position in the peace struggle."

7262

CSO: 3613/130

SDP SECRETARY DOWNPLAYS 'SYMMETRY' AS FOREIGN POLICY CONCEPT

Helsinki HUFVUDSTADSBLADET in Swedish 25 Mar 84 p 15

[Report on interview with Erkki Liitanen, secretary of the Social Democratic Party, by Larserik Haggman; date and place not specified]

[Text] "We can easily create problems for ourselves if we try to fit all our actions into a framework of symmetry or asymmetry." That is what HUFVUDSTADSBLADET was told by Social Democratic Party [SDP] secretary Erkki Liitanen.

He questions the need for such a frame of reference--of such a concept--in the debate. "It can lead to unnecessary problems."

Prof Krister Stahlberg of Turku University takes a flogging from the chairman of Parliament's Foreign Affairs Committee:

"What we are probably dealing with here is a Finnish record in superficiality in the foreign policy debate."

Liikanen also comments on the position occupied by President Mauno Koivisto in the decisionmaking process in foreign policy matters, saying that "everybody knows who wears the pants." "The conduct of foreign policy lies definitely in the president's hands."

[Question] Is it worthwhile engaging in a discussion of symmetry when we talk about Finland's foreign policy?

[Answer] Perhaps there is reason to be very careful when new concepts are introduced. And also on the question of frames of reference. Otherwise, it is easy to draw conclusions concerning contexts that have nothing to do with the concept itself.

I have interpreted the speech by the minister of foreign affairs concerning the lack of symmetry as referring to Finland's traditional geopolitical situation and nothing else.

According to Liikanen, that situation includes a long history and obvious realities.

The party secretary referred to our relations with the East, which are based on the VSB [Treaty of Friendship, Cooperation and Mutual Assistance].

[Liikanen] The conduct of those relations is of very fundamental importance, as Paasikivi himself said. Kekkonen said the same, and so has Koivisto.

And our relations with Sweden, says Liikanen, naturally have a different basis. Here it is a case of two neutral Nordic countries which have different traditions of neutrality, a common cultural background, and so on.

And then there is Norway, which is a different kind of Nordic country.

Problems Easily Created

[Liikanen] The fact is that our relations with our neighbors are all different, and it can naturally be said that they are not symmetrical, but do we need such a frame of reference or such a concept in the debate?

It is easy to judge all the stands we take on international issues against the background of symmetry or asymmetry, and that leads to unnecessary problems.

Along with that, according to Liikanen, are our efforts to maintain good relations with all countries and our efforts to stay out of conflicts between the big powers.

[Question] Does your line of reasoning mean that you do not like the concept of symmetry--is it erroneous?

[Answer] We can easily create problems for ourselves if we try to fit all our actions into such a framework.

It is awfully easy for the discussion to become centered on problems that do not exist in the actual handling of foreign policy.

[Question] There has recently been discussion concerning various threats or various situations in which threats to Finland might arise.

[Answer] Here I would like to refer you to President Koivisto, who has warned against speculating about various threatening situations and against discussing various possible and impossible situations and what steps we ought to take as a consequence.

"Risks Can Arise"

Liikanen feels that the most important thing is to uphold our basic line and show that it is holding firm.

[Liikanen] The VSB is clear, and the official interpretations of it have also been very clear.

By speculating, we easily create problems that do not necessarily exist.

[Question] And that can lead to elements of risk?

[Answer] Yes, risks can arise--lack of unity may be created around something that comes up during the discussion.

[Question] Do you feel, then, that there should be no discussion--that people should remain quiet?

[Answer] Discussion involving analysis and reflection is extremely important when it is a matter of strengthening the basic line.

But I do not want to participate in a discussion that might raise problems which do not need to be considered at all.

Declines To Speculate

[Question] Does this mean that you do not share the opinion which says that the deployment of cruise missiles on aircraft, ships, and submarines constitutes a direct threat to Finland?

[Answer] It is clear that the deployment of nuclear weapons in Europe and especially near our own region always increases international tension, aggravates relations between the big powers, and influences every country's attitude.

We should behave with great seriousness and try, with the help of our foreign policy, to eliminate such threatening factors.

[Question] What about this specific situation?

[Answer] I prefer not to speculate concerning an alternative situation. That can lead to uncertainty. The most important thing is confidence in the basis for our foreign policy.

[Question] But what about the clear position taken by the minister of foreign affairs? And the president followed that same line of reasoning in an interview with a French newspaper last fall.

[Answer] It is clear that the threat will increase if deployment occurs closer to our region. However, we must solve the problems in the order that they occur on the basis of our policy line--I don't want to speculate on what would be required in a particular situation.

[Question] Is our defense policy in agreement with our foreign policy in that respect?

[Answer] That is naturally a problematical question, but the most important thing is that the basis of our security policy should also be seen in foreign policy and that the Armed Forces should support it. It has to be that way.

"Rogers' Trap"

[Question] How does that fit into symmetry? Should the Armed Forces be symmetrical?

[Answer] One debate in Finland obviously fell into Rogers' trap. It was scarcely of any benefit to us at all.

Our relations with the East are unequivocally stated in the VSB. I don't want to enter into speculations that would threaten those relations.

Liikanen again referred to Paasikivi's statement after the wars that Finland and the Soviet Union would not lift their weapons against each other.

[Question] Then how would you answer a question concerning Finland's will to resist and its defense preparedness?

[Answer] It is clear that we will always defend our independence, and we are aware that our independence is built on relations of trust with our neighboring countries.

"Ignore Provocations"

It is especially important to remember that when others try to provoke us into conflicts with our neighbors or speculate on such conflicts, we will not go along with such things. Instead, we will work to maintain the basic trust.

[Question] Since you have put such emphasis on relations with our neighbors--something that President Koivisto has also done in several contexts--does this mean that a shift has occurred or that you would like to see a shift in Finnish foreign policy? There has often been talk of a degree of tension between two poles--the VSB and neutrality. For example, Max Jakobson often enters into a sort of struggle on behalf of neutrality which, while not directed against the VSB, would at least be at the VSB's expense.

Liikanen answered by referring to two of President Koivisto's speeches which made a special impression on him: the one outside the White House in Washington and the one delivered during his state visit to the Soviet Union.

[Liikanen] He said that our foreign policy is based first and foremost on good relations with our neighboring countries. In the Soviet Union's case, that means the VSB. In addition, and in keeping with our neutrality policy, we also maintain good relations with all countries.

Liikanen does not see any conflict in that unless people try to create one.

"The Principle Is Always a Principle"

[Question] So does the VSB influence the rest of it--or not?

[Answer] The principle is our relations with our neighbors, and the VSB is part of that. The principle is always a principle.

[Question] So in your opinion, there is no conflict?

[Answer] If the VSB contains a statement about respect for Finland's efforts to stay out of conflicts of interest, then there is no conflict.

The one who seems to see a degree of conflict is obviously Prof Krister Stahlberg. He made a study of the comparative frequency with which the word "neutrality" appeared in Koivisto's latest book and some of his speeches and in a number of Kekkonen's speeches. On that basis, he concluded that Koivisto talks differently in the East than he does in the West and uses the concept of neutrality less than his predecessor did.

"Record in Superficiality"

[Liikanen] What we are probably dealing with here is a Finnish record in superficiality in the foreign policy debate. One should be able to demand that a professor and scientist have some form of expert knowledge before he gets involved in such serious issues.

Liikanen has not examined the details closely, but he did notice Stahlberg's comparison of the speech in Washington with that delivered during the state visit to Moscow.

[Liikanen] Koivisto mentioned neutrality twice in Moscow and only once in Washington.

I wonder if Stahlberg will reverse his conclusions when he studies all the speeches rather than just the fragments quoted in Koivisto's latest book.

According to Liikanen, Stahlberg's venture is unfortunate because it also gives a distorted impression of first-class scientific research concerning the basic issues in foreign policy.

"Flexible Method"

[Liikanen] It appears that a number of professors in Turku--from where odd things have also been heard in other connections--made up their minds in advance and then adopted a very flexible method for fitting the facts into their ideas.

Otherwise, Liikanen does not see any basic change in the foreign policy debate from what it was earlier. But he does notice a certain "surge" in connection with the change of president as a consequence of speculation before the fact.

[Liikanen] The change of president aroused interest, and then, too, the international situation has become more tense.

On the other hand, Liikanen seemed a little irritated by a phenomenon which he views against the background of competition among various newspapers.

"No Drastic Changes"

[Liikanen] It is clear that the newspapers determine what goes into their columns, but our foreign policy is not undergoing so many drastic changes that the evening newspapers could sell out their entire run every day thanks to that topic.

On the whole, however, Liikanen views the contribution by the newspapers as positive, and he even mentions the need for serious academic debate.

But what is the situation among the politicians? Has the circle of debaters grown larger?

Liikanen thinks he has noticed that happening. He says that more and more politicians are also representing Finland abroad in various connections. This is true of both the political parties and Parliament.

[Question] Does this indicate a change in relations between Parliament, the government, and the president?

[Answer] What it really amounts to is increased contact. For example, Parliament's Foreign Affairs Committee has twice received information directly from the president.

The government's Foreign Affairs Committee has also been more active than it was previously.

"Everyone Knows Who Wears the Pants"

[Question] All the same, what that seems to involve is mostly information. What about the actual decisions?

[Answer] Everyone knows who wears the pants.

According to Liikanen, that is something that has been relegated to the background by many other observations as well as interesting analyses:

[Liikanen] The conduct of foreign policy lies definitely in the president's hands even during Koivisto's term of office. He is the one who decides.

In saying that, Liikanen does not mean to belittle the general discussion on ways and means or lemmings and national anthems. He says such discussion is part of the process but not at all a decisive factor.

[Question] So perhaps you do not agree with Prof Osmo Apunen, who is recommending that Koivisto build up a power system--a kind of organization of his own?

[Answer] Let me say first that more discussion is now taking place, and more people are becoming involved. But when it comes to making the decisions, it is Koivisto who makes them--that is perfectly clear and not subject to speculation of any kind.

"Kekkonen's Merits Sufficient"

On the subject of Apunen, Liikanen says he does not believe that Apunen's intention was malicious.

[Liikanen] I respect Kekkonen so much that I am convinced he can stand up under scrutiny on the basis of his own merits.

But judging from the discussion so far, perhaps a little more distance in time is needed.

But Apunen wanted Koivisto to build up an apparatus of his own.

Liikanen declined to discuss that, but he mentioned Apunen's thesis that after the 1956 election, Kekkonen first had to create a position for himself.

[Question] So has Koivisto built one up for himself?

[Answer] No comparison with Kekkonen is possible, but the transfer of power went extremely well, and Koivisto has been active.

Let us look at how we ourselves have adapted. Various people have [copy missing] in various ways, and conclusions are easily drawn more from that than from the actual substance.

"No Party Access"

[Question] There was a lot of talk previously about the Center Party as the presidential party, and now the SDP is being called the party serving as the vehicle for the state. How do relations between the president and the SDP really operate?

[Answer] There is no access for the party, but the prime minister and the other ministers are in contact with the president.

The doors are open, naturally, but they are equally open to everybody else.

[Question] When was the last time you met with the president?

[Answer] We played volleyball in the south about a month and a half ago.

According to Liikanen, the SDP made it very clear in connection with the presidential election that the president stands above the parties.

[Liikanen] We really cannot take any more than that for granted. We are a big enough party to exert influence in any case.

[Question] In any case, you are an extremely loyal party.

[Answer] We are loyal in every situation, and in fact, one cannot accuse the other parties of being any different.

Just compare this with the way the SDP treated Kekkonen in the late 1950's. Now we must express our gratitude.

Interest in Party Issues

[Question] It was being said before that the Center Party had problems as a result of loyalty considerations. What is the current situation in the SDP?

[Answer] Here there may be a difference. To a surprisingly great extent, Koivisto has confined himself to handling matters that are the president's responsibility.

I don't know how much is true concerning Kekkonen's interference in Center Party affairs, but Koivisto is not greatly interested in party issues, so the question has not arisen.

11798

CSO: 3650/164

ANALYSIS OF CURRENT PASOK-KKE RELATIONS

Athens TO VIMA TIS KYRIAKIS in Greek 11 Mar 84 pp 6, 7

/Article by Giannis Roumbatis/

/Text/ The strikes of the last 15 days are also a particularly significant political event: the government's reaction but also the insistence with which the workers pose their demands give a political character to the strikes as well as to the governmental reactions.

Almost inevitably the political developments of the last few days brought again to the surface the question about the relations between the two (major) parties which cover the area of the Left, namely, PASOK and KKE.

There were some who said that the "idyll" between the parties has come to an end and that a confrontation "across the board" is now beginning. Those who argue these views do not necessarily belong to the Right.

Of course, to say that an idyll has come to an end one must say that an idyll must have started in the first place. In the case of PASOK and KKE, only those who had an interest in presenting such "pictures" spoke of relations between the two parties that could be termed as "idyllic", because any cooperation that has existed between PASOK and KKE was "informal" and not so much the product of decisions at the summit of the two parties as a result of developments in the areas where such cooperation took place.

Moreover, the meetings of the premier and PASOK chairman with the secretary general of KKE last month systematized a dialogue which had started in August 1983 but did not lead to any summit agreement.

Speaking on 8 February 1984 at the meeting of the Organizational Committee for the PASOK Congress, Papandreou left no doubt when he stated that for his party, "the National Popular Unity provides for the widest possible national and political unity and cohesion in the social areas and does not refer to any summit contracts."

In his interview with TA NEA, KKE Secretary General Kh. Florakis spoke on the way his party sees its cooperation with PASOK and said that, "in spite of our opposition to the governing party on the large issues of change, we accept

cooperation in specific sectors such as the syndicalist, provided such cooperation, we repeat, moves forward the solution of the problems."

That this dialogue does not mean an idyll was shown also by the "assessments of the KKE Central Committee on recent developments" which KKE made public on 29 February.

According to these assessments the KKE Politburo resolved that "lately certain circles of the domestic and foreign establishment who want to shift to more conservative directions the governmental policies and to bring it into conflict with the progressive forces and to turn it away from the people's expectations even more, are intensifying their efforts."

Similar views were expressed by Grigoris Farakos, KKE deputy and member of the Politburo, in an interview with an afternoon newspaper, reprinted in RIZOSPASTIS last Friday: "We must say that the circles of the domestic and foreign establishment press or 'advise' the government to shift to the right and to break with KKE."

These assessments by the Politburo of KKE and the Farakos statements come to confirm what existed before but also after the dialogue which developed between the two parties at various levels, namely, that serious differences exist between PASOK and KKE on the following issues:

1. Incomes' Policy. The different approaches of the members of the United Antidictatorial Movement--Cooperating /ESAK-S/ in the negotiations and agreement of the Greek General Confederation of Labor /GSEE/ with the employers are well known. KKE has different views from the government on the overall economic policy, precisely because, according to KKE, this policy lacks the structural changes which would make it sometime in the future pro-people and socialist.
2. Foreign Policy. KKE does not agree with the government's foreign policy except on the part relating to nuclear armaments, the Balkans, and the Middle East.
3. The Purchase of Modern Aircraft. KKE believes that the purchase of aircraft, the way it is being effected, is not in the national interest.
4. The Issue of EEC. KKE claims that PASOK has abandoned the views it held with regard to Greece's special position and it now moves to send the Greek Memorandum to the Community's Mediterranean Programs which are not strictly national claims.
5. Activation of the legislation which provides for obligatory arbitration. According to KKE this leads to a ban on all strike mobilizations (Law 3239/55).

Of course, these differences do not lead either party to a "blind confrontation" and to conflicts which cause unbridgeable chasms. It is generally

accepted that the dialogue which has taken place so far and the cooperation on specific issues--such as in the GSEE--did not cause problems to PASOK or to KKE. On the contrary, this dialogue appears to have strengthened those processes which some day will lead to changes in institutional and structural issues.

In the last 2 weeks almost all the differences which exist between PASOK and KKE came to the surface. But it will be a mistake to overdramatize this fact because the cooperation between the two parties--to the extent such cooperation exists--was never nice. Moreover, the dialogue--which appears to continue--when it is not a purpose in itself but aims at finding solutions, is not always easy.

7520

CS0: 3521/217

TOP ND OFFICIAL EVERT INTERVIEWED

Athens TO VIMA TIS KYRIAKIS in Greek 18 Mar 84 p 4

/Interview with ND Deputy Miltiadis Evert by Political Editor Mikh. Dimitriou/.

/Text/ The way things develop in the New Democracy is of interest to everyone. For example, everyone can see the dangers that will emerge for our democratic system from the possible ascendancy of extreme-rightist tendencies in the party which holds first place in the Opposition.

...But what is ND's course? A great deal was said about ND's ideological orientation and the apparent trends when ND's former leader G. Rallis was discussed as the potential head of the party's Euroelection ticket (a possibility which no longer appears likely).

The various trends are presumably expressed by the so-called "dolphins" /Leadership seekers/--however, very few among them speak openly of their political views and objectives. In their effort to attract maximum support from ND deputies for their person, they appear one day...progressives and the next day followers of conservative political theories!

During the present phase of intra-party developments in the ND, Miltiadis Evert was left "outside the stage"--while K. Mitsotakis and I. Boutos were moving between E. Averof and G. Rallis (to bridge differences?). What is happening?

Our political editor Mikh. Dimitriou asked Milt. Evert the questions an ordinary citizen would have asked about what is happening in the ranks of the New Democracy.

QUESTION: Recently a key question within ND was whether G. Rallis would head the ticket for the Euroelection. The talks, with K. Mitsotakis as mediator, did not succeed. What is your opinion on this?

ANSWER: Such things are not done with...matchmakers! I don't know if Averof met with Rallis. If they did not, it was a mistake. Direct talks could have

led to the reconciliation of certain varying views that possibly exist.

QUESTION: Would the participation of Rallis in the ND Euroelection ticket be helpful? To whom?

ANSWER: Rallis' participation would have been a positive element for ND, and also for the Greek representation to the European Parliament. Rallis has been accepted by a large section of the Greek people, even by those who did not vote for ND in 1981. This fact, however, that he is not likely to participate--as it appears--does not mean that our Euroelection ticket will lose votes.

QUESTION: Why then do some say it is necessary to have at the head of the ticket a political person, preferably a dolphin or "sub-dolphin" like Boutos, Varvitsiotis, or A. Kanellopoulos? What can their presence offer?

ANSWER: Any leading member of ND heading the ticket will have just about the same result. Our total picture is what matters, not individuals.

QUESTION: What does that mean? How is the "total picture" formed?

ANSWER: There are many factors related to what we call "our total picture." In any event, the "dolphin talk"--which is not initiated only by the government side--does harm to the party. It is natural and legitimate to have personal ambitions when there are so many and capable cadres, but there are limits. In any event, it is encouraging that no one questions the unity of the party. On the contrary, all of us are advocates of unity.

QUESTION: What kind of votes can the ND gather in the Euroelection?

ANSWER: I believe the people will vote against PASOK on 17 June. They will vote against it because of its policies in the economic, social and foreign sector until now. At the same time the people have as a standard of comparison the accomplishments of ND.

QUESTION: In other words, ND will receive protest votes...The ticket and its leading candidates will not have some effect.

ANSWER: Comparatively speaking, the major role in attracting votes will be played by the overall composition of the ticket, not by the person at the top of the list.

QUESTION: Who should be at the head?

ANSWER: The ticket must include persons with prestige and with service to society. They must have fought for the ideology of our camp and must be, basically, new and uncorrupted persons. Struggles are not won by pensioners and "planted" candidates!

QUESTION: Will you, the "renovators", ask as a group, participation and representation on the ticket?

ANSWER: There is no formal group of deputy renovators. The renewal in persons, ideas and theses is expressed by certain deputies more actively, because it is a demand coming from the party's rank and file.

QUESTION: Renewal, but in what political direction?

ANSWER: Naturally, toward the Center! The old Right is now obsolete...Those rightist things are dead, most of them anyway. Since 1974, the ND, with its great options and with many actions, has covered the area of the traditional Center. The followers of the Center must realize that they make a big mistake if they continue to think that we have differences. On the contrary, their ideological and political differences are with PASOK. Therefore, the ND ticket has room for Center personalities who have not joined the ND.

QUESTION: But there are certain evident extreme Right tendencies in the party...

ANSWER: This is not true. There are no groups or factions. We are a pluralist party, a party of dialogue, sometimes of too much dialogue. The renovation has moved ahead in our party but not to the degree or with the speed some of us wish. Personally I don't care if my struggle for renewal in the ND in persons, ideas, or institutions causes any problems. Of course, the effort for renewal must never endanger the party's unity which is the primary factor. Personally I believe the ND needs radical renewal based on the view that no one can hold forever a particular post...

QUESTION: Recently you said that the party organization resembles that of an excursion club! How do you expect to go the Euroelections with such an organization?

ANSWER: Certainly our party has made great progress in the organizational sector. This, actually, has been admitted even by the ND opponents. This organization has resulted primarily from the enthusiasm and spontaneity of the cadres at the base. Much has been done, but there is room for more improvement. You know that because of the democratic structure of ND the various party cells give the impression of a club with a chairman, vice-chairman, treasurer, etc. Our organization must function in a way to meet today's needs, not with a board of directors, but with responsible officials for each major sector such as propaganda, information, mobilization, syndicalism, etc.

QUESTION: What are the positive accomplishments of PASOK and how do you view your opposition to the government?

ANSWER: PASOK has made so many mistakes that it is hard to speak about the few positive achievements. In any event, I do not hesitate to recognize whatever positive aspects of the PASOK policy such as the modernization moves

from the "single accent" to the family law and also that the government maintained the basic choices of the ND foreign policy. Of course, every party is responsible for its program and its implementation. I believe, however, that in two areas, foreign policy and education, it is necessary to have a standard policy followed regardless which party is in power.

On my recent visit to the US I refused to comment on the government's foreign policy and especially its handling of our national issues. I told them, "leave those matters to us in Greece." We are a small nation in a critical geographic area and therefore we cannot afford the luxury of political controversy over our major foreign policy issues.

I have suggested in an article published in TO VIMA TIS KYRIAKIS that in those sectors there must be a common policy by the parties. This can start with good will from all political sides, regardless of the fact that PASOK is in power today--provided PASOK agrees.

QUESTION: You did not reply to the opposition tactics toward the government.

ANSWER: Beyond the general rules for criticism of every mistake and omission, there must be, I think, a special political rule. It is necessary to criticize severely the Marxists in the government and less severely the so-called centrists and moderates.

In my view, we must judge less severely center-origin politicians such as Agamennon Koutsogiorgas who is harsh only in his speech but who is more bourgeois. Koutsogiorgas and other government members of center-origin such as Skoularikis, Drosogiannis, Katsifaras, Kaklamanis, Kharalambopoulos, and Mangakis, appear harsh and extreme depending on the circumstances and on government expediency. They occasionally appear but they are not dogmatic, especially they are not dogmatic Marxists.

QUESTION: What hopes do you think ND can have for the Euroelections?

ANSWER: I think we will win first place as a party. I do not rule out the possibility of having national elections as well on 17 June. In any event, ND will not campaign on purely European issues; it will bring before the public judgment the overall policy of the PASOK government. We will turn the European elections into essentially national elections. In this way I believe that an unfavorable result against PASOK--something I consider certain--will force the government to speed up the parliamentary election. It will have no choice.

QUESTION: In such a case, what developments can we expect within ND?

ANSWER: I am not a prophet. In any event, the result of the Euroelection, to the extent it will become the beginning of developments in our country's political life, will affect visibly the new course of the New Democracy Party.

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WOMEN'S LIST PARTY ATTACKED FOR OPPOSING BIG INDUSTRY

Helsinki HUFVUDSTADSBLADET in Swedish 25 Mar 84 p 13

[Article by Annika Hallsten]

[Text] In a former hotel more rickety than Pippi Langstrump's Villekulla Cottage (but a bit more charming), Iceland's matriarchy rules supreme. In this headquarters in the heart of Reykjavik, with a view of both the exclusive shopping center for tourists and and dilapidated backyards of wooden houses, it is woman who counts--whether she is a member of the Women's Party, Women for Peace, Women Against Nuclear Energy, or any other of the innumerable women's movements operating from within the walls of the Women's House.

"When God created man, she was only joking" says the poster hanging on the wall. The poster shows a slyly smiling woman holding a string with a guy dangling helplessly at the other end between her fingers.

But things at the Women's House are not quite that amusing all the time.

"We are angry, and we want to change things," says Kristin Astgeirsdottir. She is first alternate for the Women's List--officially known as the "Samtok um Kvennalista"--in Parliament.

Kristin has been involved in the Icelandic women's movement since she was a teenager, and she says the credit goes to her mother. Her mother entered professional life after being a housewife for several years, and her personality changed so greatly that Kristin realized how important it was for a woman to have an occupation of her own and to be able to stand on her own feet.

Comeback After 56 Years

The Women's List is actually an old Icelandic tradition that began as far back as 1908. The first woman to enter Parliament was elected from a women's list. But the Women's List quietly fell asleep in 1926.

It emerged again in connection with the 1982 local elections. In the parliamentary elections in May of last year, the women ran candidates and got three representatives elected. In all, nine of Parliament's 60 members are women.

Kristin and her colleagues have a right to be angry and to demand a change. Much of what has been fairly well taken care of in the other Nordic countries is still in its cradle in Iceland. Child care, maternity leave, and women's pay scales have not been taken seriously, and those issues are now being pushed jointly by both the Women's List's representatives and Parliament's other women members.

Kristin says glumly: "We have been pushing most strongly for longer maternity leave, but I don't think we are going to get it through."

The legal period of maternity leave in Iceland is currently 3 months, and the women want to increase it by stages, first to 6 months and then to 9 months.

Law Circumvented

The women are most angry because the 1962 law on equal pay for equal work does not operate at all in practice. A recent survey showed that pay for women averages 62 percent of what men are paid.

Kristin says: "It is so easy to get around the law."

In banks, for example, the employer calls a man's job one thing and a woman's job something else, with the result that the man is paid more money even though in fact, they both do exactly the same thing.

The concern over unequal pay and that over a maternity leave that is altogether too short are both acute, and almost all Icelandic women are familiar with them. "Housewife" is an unknown concept in Iceland, where 86 percent of all married women are gainfully employed.

Single Mothers Worst Off

Those two problems are most severe for single mothers, who actually have only one advantage over their married or cohabiting sisters: the children of single mothers and of students get priority when places become available in the government-run day care centers. But day care facilities are inadequate even for the needs of those two groups.

Those actually worst off at present are the approximately 5,000 single mothers, for whom things became considerably worse as a result of the election in May.

The government that took over at that time put through a wage policy whose practical effect is that wages will not rise for a long time even though some items have become considerably more expensive. Many Icelanders make up for the loss in wages by working extra hours, but that is practically impossible for a single person with children.

Kristin says: "We have brought up the situation of single mothers in Parliament, but no one is listening.

"You must remember that we are in the opposition, and we cannot decide; we can only influence."

Impossible Task

"The Women's List cannot do anything! It is an impossible task."

So says Brynhildur Sverrisdottir, who works for the Icelandic Export Council. She is actually from Denmark, but she got married in Iceland and has lived there for 7 years.

She does not know how the Women's List will fare, especially on the issue of single mothers, but she feels that in any case, it is essential for women to become active and to demonstrate their discontent even more.

Pleased Economists

But Hallgrimur Snorrason, who is an economist at the Icelandic Economic Institute, is pleased with the government's efforts.

"It is true that there are individual cases which are very serious," he said pompously (referring to single mothers), then took a puff on his cigar, puckered up his brow, and tried to look concerned.

"But we have actually done a great deal," he said in a considerably happier tone of voice, and he then counted up a few benefit payments that altogether came to just over 1,000 Finnish marks.

Naive Program

Among the most radical women in Iceland, the Women's Party is regarded as having a program that is too naive. Agreeing with them is Marjatta Isberg, who married Reykjavik's assistant police chief 5 years ago and left Finland to settle in Iceland.

She participated in establishing the Women's List and says that she votes for the candidates on the list, not because she is a feminist but because in her opinion, it is completely obvious that the Women's List's goals should win approval. Now she is considering leaving the party.

"The Women's List is the only party that rejects big industry and the capitalists."

She says: "That is stupid, because Iceland cannot afford to concentrate solely on small industry. We must keep up with international developments."

Kristin Astgeirsdottir does not deny that the Women's List's program is naive, but her explanation is that there has not been enough time.

What she is more reluctant to talk about are the quarrels that have existed and still exist among the women. When the party program was up for approval, the majority of the women who had recently joined objected to its excessively feminist wording. The result is that such expressions as "male-dominated" do not appear in the program at all.

"Many of those who joined the party did so because they were women. But at the same time, they are terribly afraid of what their husbands, fathers, or brothers are going to think.

"But they still need us. Thanks to the women's movement, there is now a home for battered women in Reykjavik, and at the Women's House, we offer free advice on legal, medical, and social matters."

Kristin predicts: "We will no doubt have problems with those women in the future."

But on this particular day, an idyllic atmosphere prevailed inside the red walls of what had once been the Vik Hotel. The Women's List was preparing to celebrate its first anniversary, and it will be a long time before the women have to decide whether or not they will help out in the next election.

11798

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COMMITTEE RECOMMENDS ACQUIRING HELICOPTERS FOR SUB HUNTING

Helsinki HUFVUDSTADSBLADET in Swedish 30 Mar 84 p 11

[Article by Staffan Bruun]

[Text] The Frontier Guard should be provided with three new medium helicopters and three new light helicopters over the next few years. At the same time, the Russian-made MI-8 helicopters should be turned over to the Armed Forces.

That is being proposed by the Ministry of Interior's so-called helicopter committee. The entire plan will cost between 150 and 180 million marks.

The report submitted to Minister of Interior Matti Luttinen by the committee and its chairman, Kaarle Temmes, included classified pages that had been removed from the copies given to the press.

The pages classified secret contained the committee's proposals as to which type of helicopter the Frontier Guard should have. In the "press version," the various types are simply listed, with no recommendations being shown.

The material classified secret also contains the section on how the helicopters can be used for "undersea activity"--meaning sub hunts.

Not Suitable

The reason why the committee was appointed was that the three Russian medium MI-8 helicopters are not suitable for rescue operations at sea.

On the other hand, they are very useful on land. The committee is therefore recommending that the MI-8's be turned over to the Armed Forces and that the Frontier Guard procure three new medium and three new light helicopters.

The medium helicopters and two of the light helicopters would be based in Turku, while one light helicopter would be stationed in Helsinki, where the crews would also be increased.

To ensure effective use of the helicopters, the committee is recommending that the positions already proposed--four helicopter pilots and two mechanics--be

filled. The committee is also recommending that six new positions as "surface rescuers" be established.

"The surface rescuer is the person who is lowered from the helicopter to secure those in distress so that they can be taken aboard," says Lt Col Martti Pakarinen, the committee's secretary.

"We currently have no surface rescuers. Five of our people have been trained to do the work, but their official classification is something else. Now we want to have six people who will have the specific job of bringing disaster victims up from the water into the helicopter."

Ten Helicopters Tested

The committee members tested 10 different helicopter types from five different countries on the basis of a list of the Frontier Guard's requirements.

Those requirements were the following:

1. Two engines and good flying capability with one engine.
2. Instrument-flying capability in bad weather.
3. Systems to prevent ice buildup on the windshield and engines and, in the case of medium helicopters, on the rotors as well.
4. The medium helicopters should also be usable for submarine hunts.
5. The medium helicopters should be able to rescue 15 persons at a distance of 200 kilometers, and the light helicopters should be able to rescue four.

The medium helicopters tested by the Frontier Guard were the French AS-332 Super Puma, the British Sea King, the U.S. Bell 214, and the Russian MI-17.

The only one meeting all of the committee's requirements was the Super Puma. All the others have serious shortcomings. The MI-17 is merely an improved version of the MI-8. The Soviet Union has a considerably more modern type called the Kamov. But despite inquiries, the Russians have not provided any further information on that type.

Kaarle Temmes says: "The Kamov is evidently not for sale."

Can Lift Two Men

Helicopter experts feel that objectively speaking, there is only one helicopter the Frontier Guard should order, and that is the AS-332 Super Puma.

The Super Puma is the only one that meets all of the committee's requirements. It leaves its competitors far behind.

The Super Puma operates effectively in all situations, even if only one engine is functioning.

The Super Puma's rescue winch can handle 275 kilograms. This means that both the disaster victim and the surface rescuer can be hoisted aboard at the same time. The present MI-8 helicopters can hoist only one man at a time.

The Super Puma's maximum flying speed is 286 kilometers per hour, while that of the MI-8's is 225 kilometers per hour.

The Super Puma's cabin normally has room for 22 people. Because of the Frontier Guard's rescue equipment, which takes up a lot of space, the cabin seats would be somewhat reduced in size.

Among the light helicopters, none is as clear a favorite as the Super Puma. But here, too, a French helicopter--the SA 365 Dauphine--probably has the best prospects.

The committee members declined yesterday to state their preference among the helicopters. Their recommendation is classified secret for business reasons.

Forty-Five Minutes

Kaarle Temmes said that while on duty, the new helicopters must be ready to take off within 15 minutes. The rest of the time, they must be able to take off on 45 minutes' notice.

Temmes said: "The problem is that every year, working hours get shorter and vacations get longer. More positions are not being created to make up for this. So it is difficult to maintain good preparedness 24 hours a day. It will cost between 150 million and 180 million marks to procure and equip the new helicopters. The new positions that the committee wants to establish will cost 1.5 million marks per year."

Matti Luttinen said yesterday that he is assuming that the committee's timetable will be followed. This means that the first light helicopter is to be ordered this year. Money for that purpose is in this year's budget.

According to plans, the other helicopters will be ordered in rapid succession so that the last one will be delivered in 1988.

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GYMONT 84: ADMINISTRATIVE PRE-MOBILIZATION EXERCISE

Paris L'HUMANITE in French 23 Mar 84 p 4

[Article by Jean-Pierre Ravery: "Maneuvers Worthy of 'Wargames'"]

[Text] An "interministerial exercise to implement defense measures" named "Gymont 84" was initiated Tuesday. From Matignon to the zonal, regional and departmental prefectures, passing through 15 ministries and secretariats of state, all the state machinery which will be called upon to participate in the event of a crisis is playing this political-military wargame devised by the Secretariat General of National Defense [SGDN]*. The approximately 5,000 civil servants involved have been asked to imagine that France has been brutally confronted by a "serious international crisis in Europe, with a specific threat to the Mediterranean" while the internal situation is deteriorating, "disrupted by acts of violence and sabotage activities." The prime minister will travel to the governmental command post in Taverny today where he will take part in the final phase of "Gymont 84."

In this figurative case which is no longer peace but not yet war, the country should "be placed in a state of alert," recall reservists, cancel military leaves, reorganize the transportation and hospital sectors, in the event that...

In the command posts of the ministries involved and in the operational defense centers of the prefectures, there is a "contingency plan," a kind of "aide-memoire" designed to facilitate the decisions required in such a situation. "We want to force the prefects to take the 'contingency plans' out of their safes," a high SGDN official explained recently. That is because apparently "few persons are familiar with the plans and how to use them."

* The SGDN is a service of the prime minister which has responsibility for all defense matters when they involve the chief of state, prime minister or several ministries.

The game is played basically with a telephone or telex; and it is said that when there is an exercise of this kind the switchboards at the Ministry of Interior, which relay a large number of the calls, light up like Christmas trees.

The rules of the game are relatively simple: "scenario committees" have dreamed up fictional incidents which they present periodically. These incidents are completely nightmarish, and we were told: "There are assassinations of prominent persons, acts of violence against nuclear power plants or telephone exchanges, strikes, dissemination of false news, anti-war demonstrations..."

"The expression 'internal enemy' has been banned from the lexicon," we are told by the SGDN. In the fertile imaginations of those who thought up "Gymont 84," the culprits will be "unidentified infiltrated commandos." Our source goes on to say: "What is important is not whether the imagined situation is real but being able to learn to resolve quickly the manifold problems which arise in a crisis." Therefore, this would not involve merely science fiction....

In any event, it is painful to note that in the catastrophe-scenario of "Gymont 84," the populace could be considered a threat by the state authorities. How is it possible to conceive of the country's defense without its citizens? As for the Pacifists they are conducting a real fight to keep the prefects from ever having to take the contingency plans out of their safes "for real." In this regard, they are doubtless contributing much more effectively to the security of France.

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WATHELET ON REGIONALISM, NEW TECHNOLOGIES, STEEL

Brussels L'EVENEMENT in French Mar 84 pp 26-29

[Interview with Melchior Wathelet, minister for new technologies, by Jean-Claude Ricquier]

[Text] In November 1981, the Christian-Socialist Party (PSC, Flemish) suffered its heaviest electoral defeat since 1965. At that time, Pierre Harmel who had become head of the government, called in veteran ministers, undoubtedly in order to reassure the public. The converse occurred in 1981: PSC placed its bets on its youngest members. Philippe Maystadt and Melchior Wathelet are in fact 12 and 13 years younger respectively, than Charles-Ferdinand Nothomb, who is himself considered a young vice-prime minister since he is only 47 years old. Did the PSC make the right choice in this case?

One must acknowledge that it is exactly in the districts of Mr Maystadt and Mr Wathelet, at Charleroi and at Verviers, that the party succeeded in strengthening its positions in 1981; it lost in all the other districts. This observation should be a cause for some reflection about the generally accepted notion that the PSC electorate is an aging one.

This having been said, and their age aside, the two young PSC ministers are quite different men. As a liberal personality recently said: "Philippe Maystadt is much too careful to have the time to smile." It is true that one feels in his presence something like the anxiety of an A student. The total opposite of the jolly politician, the minister of the Budget is above all a government man. Self-controlled, prudent, competent, he takes things altogether seriously. Entirely different from Francois Perin or Henri Simonet, one cannot very well imagine him in the role of an opposition speech maker. To him, any theatrics would seem equally as coarse as unnecessary. When he wants to signify his disapproval of a speech made by one of his colleagues in the government, he simply does not applaud: and this silent reproof is immediately noted by all the press.

Melchior Wathelet is completely different from that. While Mr Maystadt seems to believe that he was designated by God to save the Christian Democracy, Mr Wathelet's ease is so great that he gives the impression of being able to

do any kind of work he wants. Likable, amusing, lively, and according to some, temperamental, he manifests no existential anguish. University graduate of the same level, and with nearly the same education as his colleague at the Budget, he emanates a communicative optimism, an optimism of pioneer, a commodity that has become quite rare in today's Wallonia. In the manner of all men who do not take themselves seriously, he is as sure of himself as he is relaxed.

Political life amuses him, as does life itself. And one could very well imagine him, as an opposition representative, making life hard for the majority on the other side. Not believing himself invested with any "mission," mistrustful of ideologies, dedicated but not partisan, concerned with what is essential, namely the future, Mr Wathelet has nothing of the "timorous member of the PSC" of which there are unfortunately too many. Even the powerful Walloon socialist machine does not frighten him; on the contrary, it seems that he would not mind picking a fight with it.

This young representative has in fact a taste for victory, the raw material of political parties; and he has none for the managers of defeats who always know how to explain why one must stay in power under any electoral circumstances.

At this winter's end, with its first precursors of a Walloon recovery, the minister of new technologies embodies quite well the modern political generation which the south of the country needs so much. This is not because youth is necessarily better than experience, but because the time has come for a determined and realistic optimism to supplant the excessively long void of ideas.

[Question] As regional minister, are you a regionalist?

[Answer] You are asking the question as if it were a matter of principle. In regional affairs I exercise my functions in the sense of protecting my region's interests, but without closing my options. I am not at all in favor of a Wallonia shut out from the world. We must attempt to decide matters where they are best decided, as rapidly and efficiently as possible. For best results, some matters must be handled at the commune level, others regionally or nationally, and others again at the European level. But to tell you where my heart lies, I would say that it is divided between my village, now the town of Verviers, then Wallonia, and Belgium. And I might add that I started my political career by trying to enact the concept of a European citizenship.

[Question] Do you feel that your influence and capability for action is greater now that you are regional minister, than when you were secretary of state in the central government?

[Answer] That's a difficult question, because I don't have all the facts for a comparison: it is true that the powers I had when I was in the national government were not quite the same as those I have now. With this in mind, I believe that the executive outside the government has somewhat less power than

when the latter was integrated. On many large issues, such as the steel industry for instance, we participated in reaching decisions which we could thus influence more heavily. Today, we are only asked for our advice, which is not necessarily followed. By the same token, the present system is more logical: regionalization requires that the executive be autonomous, just as it requires that the representatives be different. It is not healthy in my opinion, that national representatives also be regional representatives, and vice versa. Because how can they say at the national level anything else than what they have already said from a regional position? Consequently, it is the national parliament which, in the limiting case, ceases to exist, since those elected can in practice no longer reach beyond the problems of their regions.

[Question] You would therefore be in favor of an even higher number of representatives?

[Answer] Certainly not. One of the concepts which I consider important is that we should have a chamber of deputies whose sole power would be national matters, and a senate which would consist of regional and communal councils, but which would have only little power at the national level. In other words, we would have an assembly of regions, like in federal countries, within which we could also integrate a provincial component.

[Question] You then believe that under the present system the Brussels executive occupies a rather favorable position by being integrated into the central government?

[Answer] I don't like to declare myself satisfied in someone else's place. And I know that the people from Brussels are not satisfied. This having been said, I believe that its presence within the national government does represent a considerable advantage for the Brussels executive. It can exert its influence directly on the government, including through threats of destroying a consensus, or in other words, of provoking a political crisis at the top. That in fact was the game played by the Walloon and Flemish executives when they were part of the government.

[Question] Having lived for two years in an executive in which the PS (Socialist Party, Walloon) holds half of the seats, do you have the feeling that it is only waiting for only one thing, to form a homogeneous socialist government in Wallonia?

[Answer] That is a question that should be asked of the Socialist Party instead of me. In terms of figures, that is in terms of the ratio of political forces in Wallonia, the game is very open. It is infinitely probable that the PS will remain the largest political group in the regional council, but it is not at all impossible that what I call the present national majority--PSC-PRL (Party of Liberty and Reform)--might also prove to be the majority in Wallonia.

[Question] The polls show that the Walloon opinion, more so than the Flemish, favors national unity. Yet all our institutional reforms, and especially those of August 1980, are aimed the other way. Is there not a gap between the political class and public opinion?

[Answer] I think that it is very difficult to measure the public's feelings. Taking my region, Verviers, as an example, we have a particularly peaceful region, Belgian at heart, which finds it difficult to associate itself with the old industrialized Walloon areas, since it is located several kilometers from Fourons, with which it has an affinity, sharing as it does the same activities, being surrounded by the same landscape, buying from the same markets. Well, in unison, everyone says: "It would be madness for the government to fall over the Happart matter." But also as one voice, the same people exclaim: "There must be no compromise about principles, and especially not over voting rights." You can see how difficult it is to accurately determine public opinion, which in this case manifests itself in patently contradictory ways! As for the Walloon feelings about Belgium, I would say that the Walloons are probably more Belgian than the Flemish, in that they are less Walloon than the Flemish are Flemish. In any case, there does not exist in Wallonia a feeling of collective belonging identical to the one which exists in Flanders. I would also say that the Walloons which consider themselves the most nationalistic, have very often not made the least effort to learn the other national language, and this too is somewhat contradictory.

As for me, I am loath to bolster Walloon feelings through hostility toward the other community. The Walloons will solve their problems only through their own efforts, and not by pleading for or demanding the help of the Flemish. I might add that from this standpoint, the image of Wallonia must be changed. At the present time, the Socialist Party has even appropriated the notion of Walloon autonomy. In Flanders one can perfectly well be a true Flemish while belonging to the CVP (Socialist Christian Party, Walloon), PVV (Party of Liberty and Progress), SP, and so on. In Wallonia, a sort of socialist monopoly exists in this respect, and this monopoly bears the seed of a danger that the Walloons will be colonized by some of their own numbers.

[Question] Do you agree with Guy Spitaels, who one year ago told me during a similar interview, that it is impossible to imagine the Walloon industrial network without Cockerill?

[Answer] There is in this respect one idea which I would like to promote: please do not focus all of Wallonia's image on Cockerill. People speak of nothing else, and I know that it is important, but there is entirely too much talk about it. Cockerill has become the show room of the Walloon disaster. The Flemish, on the other hand, have succeeded in lending to their region such an image of prosperity, that practically nothing is being said about the serious problems in Limburg. Yet, we have in Wallonia many small and medium sized enterprises (PME) that are performing quite well. The level of research carried out by our enterprises and our universities bears comparison with any other European region, and that is an internationally recognized fact. Yet we never emphasize these achievements, all we speak of is Cockerill: that's tantamount to masochism. We must of course not fall into the converse trap: we must maintain all at all costs the features that have a future in the Walloon steel industry. Otherwise the Walloon economy will fall with Cockerill rather than without it, as Guy Spitaels has put it. Phoenix Works, refrigeration, and so on, must be saved, especially since they provide work for our PME and

our research centers. On the other hand, getting rid of those things that have no future, such as Valfil for instance, is a necessity for Wallonia. Which does not mean that I do not understand the anger of Valfil's workers: in 1979 they were told that they had to reconvert, adapt to modern technologies, and what do they find out now? This anger is therefore legitimate and justified, and imposes the obligation on those who have made poor decisions, to carry out a suitable reconversion policy, but certainly not to maintain an outdated plant in operation.

[Question] You are harsh toward those who have managed Cockerill for some 15 years.

[Answer] Harsh maybe, but without joining the ranks of those who say "all we have to do ..." or "all we had to do ..." In the steel industry one has to remain modest because it was not possible to foresee or control everything. This having been said, it is clear that a number of wrong turns were taken during the enterprise's history, both when it was in private hands, and after it came under public management. And in fact, I wonder with fear in my heart, if we are not missing another one right now: everyone knows that the Gandois plan is already far from ideal, simply because it comes too late. And the responsible factor is the slow process of formulating political decisions. It seems to me evident that the Gandois plan was much better at the time it was formulated than when it will be executed. The negotiations, alliances, and finally, decisions, may be appropriate for managing the state, but they are fatal in assuring the future of an industrial enterprise. This ponderousness and slowness have ended up by discouraging everybody, workers as well as management.

[Question] Do you believe with Francois Perin, that for Cockerill it is either the success of the present plan, or bankruptcy?

[Answer] I do believe that the only solution is approval of the present law project. But the great weakness of the project, as I said, is that it comes too late.

[Question] Does the minister for new technologies not believe that the huge amounts of money allocated to the Walloon steel industry could serve a purpose with a more promising future?

[Answer] I certainly do believe it, and have already said so in 1981. It is obvious that the billions which we have spent each month to stem the losses of the steel industry are no longer available for reconversion and new technologies.

[Question] Public opinion is under the impression that the steel industry agreement consists in having its rescue paid by the national community as a whole, while on the Flemish side, those who approve of this agreement claim that it is good because Walloon steel will have to be paid by Walloon money. Who is right and who is wrong?

[Answer] There is truth in both positions, and each clearly takes the one that suits it best. If for instance, I had to defend the agreement from the Walloon standpoint, I would take the speeches of the Volksunie and would return them: it would be perfect. And if I was CVP, I would take the speeches of the Socialist Party, which has not stopped claiming that the Walloons are the only ones who will pay for their steel industry: and that would be equally excellent. This having been said, it is clear that regional charges do exist, and each region contributes proportionally to the rescue of its national sectors. All in all, the decision rests on the national government, but the financial means are regional because the list of refundable taxes has been purged of all the rights of succession that the government has decided to assign to past charges and to the national sectors. This system is obviously the result of a compromise, and it is true that the PS position has features which would be much more favorable to the Walloon region, and that the Volksunie position has features which would be much more favorable to Flanders. It goes without saying that the latter would have preferred to take no part in the rescue costs, and that Walloonism would have liked to see its steel industry be saved without having to pay for it. Which means that the Walloons must absolutely stop being hostages to steel: there is only one way to do that, which is to undertake new activities.

[Question] In your opinion, is there a more or less tacit desire on the Flemish side to kill Cockerill-Sambre, even if Sidmar will have to be supported solely by the Flemish community?

[Answer] It is possible to pursue this question even more cynically, by saying that the Flemish have certainly no interest in killing Cockerill-Sambre, no more than there is in drowning someone when subjecting that person to the water torture. This having been said, I don't know if this wish exists in Flanders, but what I do know, is that the Walloons have no advantage in waiting for anyone to help them out of their economic difficulties. They must save themselves, and they will do it only by themselves: the aggressive nature of the Flemish autonomism should have taught them that long time ago. This in no way excludes the maintenance of real national solidarities, and in any case, of a Belgian economic and monetary unity, as the King has said in a recent speech.

[Question] We seem to have spoken almost exclusively about enterprises in difficulty and lame ducks. Is there a specific policy of the Walloon region toward enterprises that are successful?

[Answer] In each of my answers I mentioned new technologies; I do indeed think that the Walloons should make a pact among themselves: for three months, they would forbid talk of anything else than successes. That would be one way to use their assets! This having been said, it is clear that the government is never asked to intervene when an enterprise is doing well. Inevitably therefore, the askers are only the lame ducks. I might add that in a period of economic, and especially industrial, crisis, we cannot allow a company to disappear unless there is no chance for its recovery. Hence our interventions, whose result when successful, is that talk of the enterprise in

question immediately ceases since it has overcome its problems. That is the gist of the difficulty raised by public economic aid: we must not undertake a useless and relentless therapeutic effort, but we also must know how to intervene when there are chances for survival. Another question is this: should the government intervene when the owners of a prosperous enterprise prove to have no successors? In my opinion, the market should be allowed to operate in this case; if the enterprise is truly prosperous and is performing well, a private investor should be available to take the reins. What would worry me is if no one would be there to take the risk. Because for the sake of the future, it is this risk-taking that must be encouraged through an appropriate fiscal and social environment.

[Question] After three years of national at first, and then regional activity in Wallonia's service, what is your dream of its future?

[Answer] Wallonia is going through an era in which it notices that it has collectively ruined a large number of things. It believed that its products were eternal, a belief fed by the fact that the products were good and continued to sell. Now it must find the spirit of its pioneers, which a century ago plunged it into the industrial revolution. What I dream about is that the Walloons will believe in the possibility of recovering this spirit of enterprise, this taste for risk, this will to innovate. It is clearly not with my small budget of one billion that I will achieve this Walloon technologic revolution. But what I can do, is mobilize the capital and intelligence of the private sector. Attractive fiscal conditions will have to be created to mobilize the capital; I deeply believe that we should have the nerve to strike by using fiscal incentives as long as new investments are used to create enterprises, channel in fresh money, and are oriented toward the future. I certainly do not wish to coddle the status quo, nor the activities of the previous industrial revolution. I am thinking more about the child who is being born than about today's adult; we have to look further into the future. But only the private sector can bring in the capital needed to radically modernize our region. Public funds are and will remain insufficient when you realize that the cost of three tunnels to be dug under National Highway 4 is equivalent to my total budget for new technologies, and that this same research budget represents only one-third that of MIT in Boston!

My dream would thus be to create a favorable climate for innovation as well as for genuine risk capital, and make best use of our only real raw material, our grey matter.

[Question] If you were to leave political life tomorrow, how would you judge your work?

[Answer] I have the impression that things are improving and that optimism is returning to Wallonia. In the area to which I am closest, new technology, the movement has begun: people are talking about it, are doing it, and know about it. In biotechnology for instance, we have made an enormous effort to

exploit our scientific potential; we were strongly helped both by our universities and by our enterprises. This effort is already resulting in investments. In 1983, for instance, we were the region in the world that invested the most per inhabitant in development capital for biotechnology. And in composite materials, we now have a full branch, from research to industrial production. Biotechnology and composite materials are certainly the two major successes of a three-year effort.

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CSO: 3619/46

INCREASED IMPORTS CAUSING RENEWED TRADE BALANCE WORRIES

Copenhagen MANEDS BORSEN in Danish Apr 84 p 24

[Text] The trade figures are no longer as nice. Even if the export situation is still good, the monthly trade balance surpluses were changed into deficits at the end of 1983, and the latest figures seem to indicate that the unfortunate trend will continue into the present year.

It is the sharply increasing imports which create the problems. The Danish economy is simply gathering too much momentum.

Imports thus increased by as much as 35 percent in January, while exports increased by only a little more than 12 percent. In January of 1983, we had a trade surplus of nearly 700 billion kroner. This surplus was changed into a deficit of 1.4 billion kroner in January of 1984. Against that background it is not surprising that the balance of payments situation is viewed with increasing alarm.

The rate of imports is accelerating concurrently with the increase in the economic activity. During the first quarter of 1983, imports measured in real terms were 1 percent lower than the previous year, but during the last quarter of the year, imports increased in terms of volume by as much as 9 percent. And there were increases within nearly all commodity groups.

Imports of raw materials for agriculture increased in terms of volume by 14 percent, the building sector required 8.3 percent more in imports, imports of machinery and other capital goods increased by 11 percent, while imports of means of transportation, i.e. primarily motor vehicles, as well as consumer goods increased by 62 percent and 8.3 percent, respectively.

Altogether, imports increased by nearly 9 percent during the fourth quarter as against an increase of 5 percent for the year as a whole.

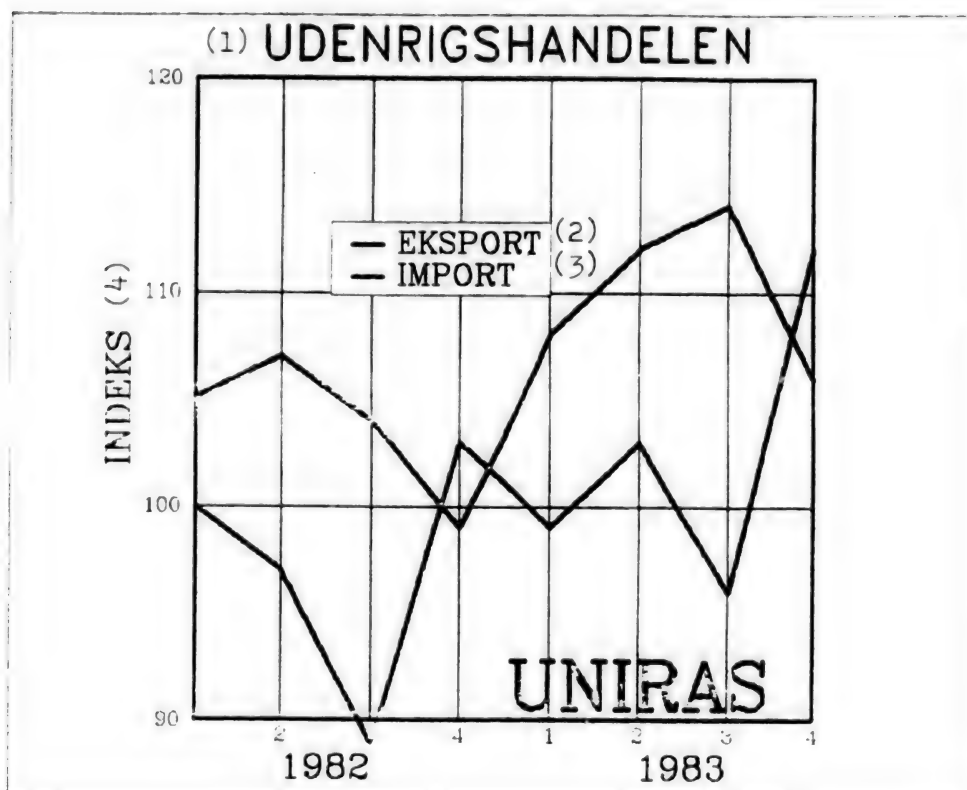
In other words, the growing trade deficit was not due to a single factor. Investments in the trades and industries, housing investments, investments in stocks, motor vehicles sales and the private

consumption are increasing sharply, and it, therefore, is not surprising that it is becoming difficult maintaining favorable trade balance figures. In view of the fact that the dollar, at the same time, experienced new record-high levels during the months at the turn of the year, it is no wonder that it became difficult maintaining the balance. The fact is that approximately 30 percent of our imports are paid for in dollars.

The volume of exports increased by well over 7.5 percent in 1983. Also here there was a trend toward acceleration throughout the year, but, unfortunately, the rate of acceleration was not nearly as high as on the import side. During the first quarter of the year, imports thus increased by 6 percent as against well over 9 percent during the fourth quarter. It is primarily the industries which account for the exports.

Even if the recent months have given unfortunate surprises, as far as the trade balance is concerned, there is no reason for panic. The deficit normally increases at the end of the year, and the figures, therefore, to some extent, reflect seasonal changes. In addition, the current downward trend of the dollar will benefit the trade balance. Nearly 30 percent of our imports are paid for in dollars, while only just under 20 percent of our export trade is done in that currency.

Therefore, it will not be surprising if the trade figures in the coming months will become a little more favorable than at the end of 1983. However, they will probably not be quite as favorable as they were 12 months ago.



The nice export surplus changed into a deficit at the end of 1983, but the declining dollar rate prevents a major deficit.

Key:

1. Foreign trade
2. Export
3. Import
4. Index

7262

CSO: 3613/129

NEW STUDY INDICATES POPULATION TO DROP BY HALF IN 100 YEARS

Copenhagen BERLINGSKE TIDENDE in Danish 2 Apr 84 p 1

[Article by Frank Dahlgaard]

[Text] An entirely new population prognosis published by the Danish Department of Statistics shows that the Danish population will drop by more than half in the next 100 years if the birth rate remains low.

In the course of two-three generations, the Danish population will drop by half from the present 5 million to only well over 2 million people by the year 2080.

This appears from a recent population prognosis undertaken by the Danish Department of Statistics for Management's POLITISKE UGEBREV.

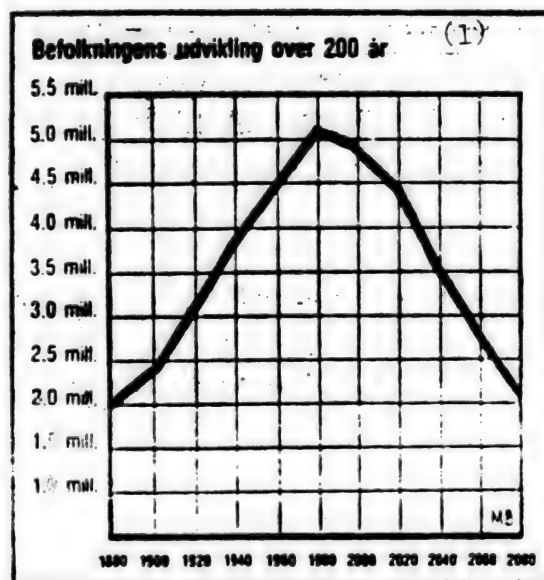
It is the first time in this country that a population prognosis for an entire century has been published, and the dramatic consequences of a continued low birth rate astonish even demographic experts.

At the present low birth rate, only 4 million Danes will be left in 40 years, in 65 years the population figure will have dropped to 3 million, and in 80 years the Danish population will have dropped to half the present population.

Demographic expert, Professor P.C. Matthiessen: "We have no experience as to how to tackle the problem. Nor shall we be able to base ourselves on the experience of others. Denmark not only is the only country which has the lowest population level, but we are also the only country which of recent years has experienced a real drop in its population figure."

P.C. Matthiessen states that the birth rate today is as low as only 1.4 child per woman, and the trend is still dropping. On the average, well over two children will have to be born by each woman in order to maintain the population figure in the long run, but there are no indications that the birth rate will increase as sharply as that.

In only 40 years, the number of children and adolescents in Denmark will have dropped by half compared to now, while the number of retired people will have increased by 23 percent. The changes in the composition of the population will put heavy demands on the educational system, the labor market and within the housing sector.



This is the trend of the Danish population figure during the past 100 years, and this trend will continue for the next 100 years if the birth rate remains at its present level.

Source: POLITISK UGEBREV.

Key: 1. Population trend over 200 years.

7262

CSO: 5613/130

PAPER COMMENTS ON STUDY INDICATING POPULATION DROP

Copenhagen BERLINGSKE TIDENDE in Danish 3 Apr 84 p 8

[Editorial: "Declining Population Figure"]

[Text] The perspectives of the population prognosis for the next 100 years published by the Danish Department of Statistics are alarming. It is true that 100 years is a long period of time. Within that period, many shifts may occur which it is not possible to foresee at present and which may change the trend indicated by the long-term prognosis. It is thus worth noting that the sharp decline in the birth rate recorded in recent years was not expected in the earlier population prognoses. However, the changes which already have taken place will hardly be replaced by any early sharp increase in the birth rate. Even if it were to increase gradually anew, the already existing population of the low birth rate years will for a long time in the future affect the population composition.

It is hardly the lower population figure itself which is frightening. Denmark is a relatively densely populated country, and a lower population density may also have a number of positive effects. However, the decisive thing is that a drastic development such as the present one will, of course, alter the age distribution of the population decisively, an effect which will become more strongly pronounced the farther into the next century one tries to look. It is a trend which places heavy demands on flexibility and redistribution of resources within the public sector. As far as the public school system is concerned, these problems are becoming increasingly felt, and they will quickly spread over the remaining educational system. The experience so far, unfortunately, shows that, at any rate, in the short and medium-range view, it is very difficult to create such a flexibility within the public sector that it will be possible to solve the problems without any further large increases in costs.

The drop in the population figure which has already occurred, and the somber prospects, no doubt, will give rise to a number of demographic proposals. Slogans to strengthen families of children through increased subsidies, lower taxes, reduced working hours, better child care arrangements, etc., have already for some time been introduced in the political debate.

However, there is reason to establish that sufficient knowledge is lacking with regard to the background to the lower birth rate, and that there is not at all sufficient knowledge as to how it will be possible through political

decisions of one kind or the other to intervene in that development. The fact that the trend in this country is particularly marked, moreover, makes it difficult to draw on the experience of other countries.

That does not necessarily mean that one should merely allow developments to take the course which they now appear to be taking. But instead of more or less imaginative demographic measures, the efforts should now concentrate on increasing the ability of the society to cope with the problems of readjustment which there is every reason to believe will arise.

7262

CSO: 3613/130

DETAILS ON 'RECONVERSION LEAVES,' INDUSTRIAL RETRAINING

Paris LE MATIN in French 12 Mar 84 p 7

[Article by Denis Pingaud: "What Is the Story on the 'Reconversion Leaves'?"]

[Text] Pierre Beregevoy has announced details of the measures concerning the "social" portion of the industrial restructuring. These will be approved at a future cabinet session. Here are the main details of the decisions taken by the minister of social affairs, in particular as regards the famous "reconversion leaves."

Pierre Beregovoy is currently putting the finishing touches on the social measures to accompany the industrial changes, of which only the broad outlines were approved on 8 February by the Council of Ministers. After having consulted all the social partners in the past few weeks, the minister of social affairs will reportedly soon present to the government--no doubt on Wednesday 21 March--a detailed plan dealing particularly with the "reconversion leaves" (conges de reconversion).

It is known that these will benefit wage-earners affected by force reduction in three sectors: steel, coalmines and shipbuilding. Considering the planned job eliminations under preparation and the "flight" offered by opportunities for early retirement on some sites, it is estimated that between 10,000 and 15,000 workers may receive training to prepare for a new job.

What are they getting? The duration of the reconversion leave will be 2 years, and the replacement income equal to 70 percent of the previous gross salary. There remained a number of unclear points on which the minister has now given decisions. These are the details.

Company Responsible for Third of Cost

The first question concerned financing of the reconversion salary, it being understood that during the entire period of the layoff the wage-earner's work contract with his company will not be broken. Pierre Beregovoy will propose the following formula:

1. The company will be relieved of all social payments (National Union for Employment in Industry and Commerce (UNEDIC), and Social Security) for the on-leave worker;

2. The state, probably through the FNE [expansion unknown], will participate to the extent of about 40 percent in paying the replacement wage.

Evidently, based on an overall wage cost of 150 including social payments, the layoff will be financed in the following manner: 50 by the social organizations that will lose the equivalent payments, 50 by the company, 32 by the state, and 18 by the wage-earner. Thus, the latter will receive 82 percent of his previous net remuneration, equivalent to 70 percent of his gross remuneration, and the original employer (steel, shipbuilding or coalmines) will be contributing one-third to the overall cost of the individual reconversion.

Guarantee of Return in Case of Reclassification Failure

Another innovation in comparison to the initial general plan: the opportunity to return to a "leave" status if the reclassification does not suit the wage-earner. This measure was decided on following repeated demands by the trade union organizations. In other words, a security net will be given to the worker who accepts a job offer after training.

Specifically, an Usinor steel worker on reconversion leave who accepts a job in a mechanical small business will have a 3-month trial period during which his work contract with Usinor will not be broken. Before the end of this period, he can give up this new job and thus return to the previous status of salaried leave. Only after the end of the period will he sign a new work contract with his new employer. However, this guarantee of return will apply for only one time during the 2 years of anticipated training.

Method of Paying Layoff Compensation

In the document approved by the Council of Ministers on 8 February, the matter of layoff compensation to be paid at the end of the reconversion leave, that is, at the time of final cancellation of the labor contract, remained open. After consideration, Pierre Beregovoy opted for a pragmatic solution, a function of the concrete situation of each wage-earner in training.

First case: The worker on leave ends up, we might say, in failure at the conclusion of the 2 years. Then, the layoff compensation will be paid in full based on the last gross salary in the original company. Second case: The worker on leave achieves a reclassification with similar benefits for the wage-earner, particularly in regard to seniority. In this hypothetical case, the compensation is not paid.

Finally, the third case, no doubt the most frequent: The worker on leave ends up in a reclassification with loss of salary and of some benefits.

In these circumstances, the sum of the compensation will be used in form of a decreasing allocation over a period of 2 years, intended to make up the difference between the previous wage in the original company and the new wage. This system will be related to the measure of general character planned for all workers in the 15 "conversion poles."

Three Fr45,000 Payments for Hiring of Steel Workers

Finally, two other final measures were decided on by the social affairs minister and will be proposed to the Council of Ministers. On the one hand, companies that hire steel workers subject to force reductions will receive for 3 years an annual bonus of Fr45,000, whatever their nature (whether within or outside the "conversion poles"). This figure in fact corresponds to the total management social payments for a year, based on the average steel plant wage of Fr7,500. This measure thus frees the employer hiring a steel worker from the social payments for 3 years.

On the other hand, the provisions of the "job training" contracts will be extended to persons over 26 years old in the case of wage-earners on reconversion leave who agree to training within a company itself. This measure, also, is aimed at giving employers a financial incentive to give priority acceptance to the victims of industrial reconversion.

However, there remains, after all these decisions, one issue that is difficult to resolve, and that concerns the "reconversion poles." Where will the borderline begin and end? One thing is certain: In order to avoid imprecision, the government will soon announce the list by cantons of the zones that are to benefit from the specific measures in regard to reconversion. However, this delimitation, though necessary, could be made subject to special adjustment by authority of the Republic commissioner. Indeed, it would seem absurd if companies or wage-earners 1 kilometer away in comparable situation did not enjoy the same benefits granted to facilitate these changes.

The problem of the borderline may also occur at the level of industrial branches. The example of Creusot, an employment pool dominated by Creusot-Loire, is noteworthy.

The companies of the group--which will be going ahead with the announcement of a new wave of job eliminations, including closing of the ironworks at Montchanin--are sometimes classified as steel industry and sometimes also as heavy metallurgy. However, it is probable that the metallurgists of the region will also be given the right to reconversion leave so as not to create distortions in the situation that would appear unjustified.

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CSO: 3519/281

SOCIAL AFFAIRS MINISTER ON MODIFICATION OF LAYOFF LAWS

Paris LES ECHOS in French 21 Mar 84 p 5

[Interview of Minister of Social Affairs Pierre Beregovoy by Adrien Popovic: "Modification of the Law on Layoffs Cannot Be Ruled Out"; date and place not specified]

[Text] [Question] Companies are complaining that they do not have sufficient flexibility in management of their work force. Everyone recognizes that there are some rigidities.

[Answer] That is what the National Council of French Employers (CNPF) says.

In reality, the rigidity is in the attitudes rather than the facts. It is more a matter of routine and blockages in discussion than social legislation. Also, a false charge has been made against us. The time periods for layoffs--or, more precisely--the time periods for review have been prolonged by collective agreements well beyond those foreseen by the legislator.

Having said that, I am in full agreement with those who call for mobility: social mobility, occupational mobility, and even geographical mobility on condition that the tax provisions encourage moving residence, rather than penalizing it as they do today. An immobile society is a regressing one.

However, this mobility will be accepted only if it is accompanied by social guarantees. Management today calls for freedom to carry out layoffs. They are not forbidden to do this, but it must be done according to rules defined by the law and agreements. This has been the case for a long time, and as for economic layoffs, the legislation in 1975 established principles that should be observed. Freedom does not exist in a natural state, or it is the law of the jungle. Freedom is based on the law.

I repeat, I would be irresponsible if I considered that the legislator has frozen all social relations once and for all. These can evolve, but by agreement and not by letting the owners do what they wish, as they would like, at the time when they want to do it. It is good social relations in the company, just as good human relations between the craftsman and his colleague, that provide the certainty of economic success.

[Question] Thus, you do not favor modifying the 1975 law on layoffs?

[Answer] I do not rule out the possibility of a modification, but one on the basis of a balance established by the social partners and on the basis of their proposals. Let them discuss it first, then we will see what lessons we can draw.

Let us get to the major difficulty: What the companies are demanding is that the decision be taken rapidly once the issue is introduced. Unfortunately, economic layoffs are often subjected to no review either by the company committee or by the Labor Inspection. In other words the file is presented too late: the unions, the workers, and the local organizations that will have to bear the burden of the social difficulties are then seized by the throat. I thus envisage an important modification to be made: to establish alerts to leaderships and unions in regard to the situation of the company, to permit negotiations in advance of any decision for collective layoffs.

[Question] How can the social tensions be avoided?

[Answer] The industrial changes are inescapable. The difficulty is in adapting to them. Two contradictory attitudes are usually observed: the first is to deny the needs of the economy and to oppose in principle any layoffs; the second is to opt for forced-march modernization without concern for the social aspects. Neither is good. The third, which the government is proposing, is to put the issues on the table and, with the social partners, seek to create new enterprises in combination with good quality training in order to reclassify jobless workers. This calls for imagination, social dialogue, and economic determination. The world recovery may help us. You know that I am a resolute supporter of return to growth, the only real answer to our problems. However, growth must take place on sound foundations, hence the rigorous effort to which we are now calling the country.

Citroen's Lesson from Talbot Affair

[Question] In the wake of the Talbot affair, do you feel that the elimination of jobs at Citroen was better prepared?

[Answer] The Citroen management appears to me to have perceived the lesson in the Talbot affair. I prefer this way of tackling things. Discussion is initiated enterprise by enterprise. The measures to be taken in regard to training, early retirement, and assistance in returning workers to the countries of origin is more thoroughly examined. Resort to preferred time is not excluded.

I stress strongly that the Citroen management should consider reduction in work time, in combination or not with training. Moreover, this problem arises with all the French and European auto manufacturers.

The departments of the Ministries of Labor and Employment are following the issue on the spot, and the social dialogue is underway. That does not mean that no difficulty will arise. Adaptation of the work force to the industrial reality poses painful, human problems. We should never forget them.

[Question] Does not the order on temporary work and fixed-term contracts harm the mobility in employment that you are seeking?

[Answer] The first on temporary work has been beneficial. Temporary workers are better protected and the companies that use them have witnessed a development in their activities. On the subject of fixed-term contracts, we envisage an increase in flexibility, which is also anticipated by the order on the subject. A decree is to be issued soon.

It concerns in the first place exporting companies: it will make it possible to extend beyond 6 months the fixed-term contract. It provides that this duration can be extended to 18 months in the case of hiring of a person registered as unemployed for longer than 4 months. I would have preferred that the contractual negotiation have preceded our decree. The negotiation may modify them, since application of this decree will be limited to a 2-year period. We have been guided by our concern to seek all means possible to combat unemployment.

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CSO: 3519/281

KOLMER ON ECONOMIC BACKLASH OF PRICE FREEZE

Athens MESIMVRINI in Greek 27 Feb 84 p 8

/Analysis by Economic Editor K. Kolmer/

/Text/ Initially we had no intention of getting involved in the "three-month cease fire in the civil war of prices." It brought to mind the "three-month recruits" and the "bandit war" and we had decided to forget all this. But we found it impossible to resist the response to the appeals of the new Minister of Commerce V. Kedikoglou to the press "to study and explain to the people all the negative consequences of the inflationary process." And so we offer this treatise with the aim of explaining:

the higher cost of socialism;

the underestimation of the intelligence of the Greek people;

the illegal marketing of the totalitarian views of the government's collaborators; and

the inflationary psychology which is the new (?) interpretation offered by the leadership of the Ministry of Commerce for the high Greek inflation which stubbornly refuses to go below 20 percent.

Truly we do not know what to marvel at first in the minister's "inspired" speech to the productive classes last Friday in the Commerce and Industry Chamber. The inventiveness ("every demand increase must go through social processes"), the clarity ("the maximization of price does not mean maximization of income, especially on a national scale"), or the economic philosophy ("the price of every commodity is a social issue")?

We'll start with the last one because even the last of the Mohicans now knows that the prices are determined in the market place and are affected by supply and demand of commodities as well as by the quantity of the money in circulation. Of course, the last part is not entirely clear for the first-year students, but by the time they graduate from an economics school they know about it--although they forget when they become governors of the Bank of Greece. Time weakens knowledge. In any event, one thing is certain: the prices are not set by decree but by balancing supply and demand. Of course,

in our country the meaning of balance has been long forgotten. For example:

--How many consumers know the price of a kilo of bread? 1/ Yet, a continuous battle is conducted over the price. The reason is that in our pre-historic "cost of living index" the bread accounts for 4.1 percent and therefore every logical price increase causes upward pressures--not on the actual cost of living--but on the idealized index (because of the Automatic Wage Adjustment /ATA/).

--How many coffee drinkers would be prepared to pay 800 or 900 drachmas a kilo for European coffee instead of crowding in front of the coffee-grinder's shop for just a packet? In this case, moreover, not even the effect on the cost-of-living index (0.8 percent) justifies the fanaticism with which the Ministry of Commerce refuses to see the reality.

Therefore, since in our country we have long abolished the price mechanism and replaced it with the mechanism of price control regulations, let us see how our surrealistic prices are formed.

The main element of price formation is no longer the balance of competition among producers but the cost of production and the "allowable" percentage of profits.

The cost of production of domestic consumer products is not, however, independent of other markets: labor, foreign exchange, farm products, and the imposition of indirect taxes (turnover tax /FKE/ stamps, Social Insurance /IKA/, etc.). It is affected and significantly so at that. Specifically, the cost is affected by 1/5 from the drachma's foreign parity, 1/3 from labor compensation, 1/7 from indirect taxes. The remaining 1/4 of the cost comes from the compensation of capital and the paid and received "prices" (monetary expenses, rents, and business profit). As a result, the price of a domestic commodity is formed "statically" for the sake of convenience. Let us say 100 drachmas per unit (kilo, meter, etc.).

But the market place and the consumer preferences are a constantly changing field where developments occur constantly. The price, therefore, is formed "dynamically" as well. Or, at least that is the way it should happen.

The 100 drachmas at the end of 1983 have already changed by 31 January 1984 because of the rise of foreign exchange (up to 3 percent) with the rising prices of fuels and the proportional added costs such as tariffs, agents' fees and other payments 2/ (for example, the international prices of raw materials which increased last year by 12 percent and which have yet to appear in the cost). Thus, the initial 100 drachmas became 101 within one month only.

Below these price increases, however, there is always a lingering demand which affirms immediately the rise of prices from 100 to 101 in only one month. In a monetary sense this is allowed with the proportionate increase in the supply of money ($M^3 = +25\%$ in 1983).

But why is the drachma constantly losing in value? It is because the monetary authorities are trying to hold down the flood of domestic demand at the mouth of the river: the deficit of the balance of payments. They devalue the drachma in order to hold down imports.

The Domestic Cost

Since 1 January 1984, however, we had another 8-10 percent increase in labor costs. We calculate that the direct and indirect labor costs account for approximately 1/4 of the cost of production (National Statistical Service of Greece /ESYE/ studies show 46 percent). This means that in one month only the cost/price of domestic products went up from 100 to 103, and with the devaluation to 104.

We come now to the cost of domestic, primary materials. Not only the guaranteed prices for the producer and the EEC subsidies (e.g., 15 drachmas a kilo for "destroyed" oranges) result in an unrealistic situation, but also the land return (6,000 to 9,000 drachmas per stremma) and the international prices and the seasonal wages in the market place (1,500 drachmas plus food). Here the "opportunity cost" plays a significant role because when the minister of labor wants minimum wages of 1,500 drachmas a day for miners why should anyone go to work in the mines? He prefers the countryside. As a result, the prices of farm products move faster than the cost-of-living index and affect prices upward because they push upward their overall level and there is no force, no mechanism to hold them back (even the induction in the EEC was adulterated by continuing the national subsidies).

Fall of Productivity

Before we move beyond the autonomous factor of the domestic cost which pushes prices upward, we must say a few words about the meaning of productivity which is misunderstood in our country. Even without an increase in labor compensation (with the ATE, etc.) the cost per unit of domestic products would increase because of the continuous reduction of production per worker (= productivity). This is due to:

1. The stagnation or even reduction of domestic production since 1980;
2. The increase in the number of employees which in turn is attributed to:
 - a. the expansion of the public sector with continuing hirings and negative productivity (600,000 civil servants produce less, e.g., higher education).
 - b. the banning of firings.
3. The gradual reduction of work time (by 13 percent in the last 8 years).

Now, however, we have not only a reduction in productivity (2 percent approximately per year) but also an increase in the nominal compensation by 27 percent

annually (1983). Thus, the real increase of labor wages is estimated at 2-6 percent annually since 1978. But someone has to pay for this increased burden on the domestic cost of production. Who?

--The consumer? No, because prices have been frozen de facto since 1979.

--The businessman? In part, yes, through the reduction of his business profit (in 1983, 2/3 of the major enterprises in the country showed losses).

--The other payments to production factors? Yes. They paid for most of the difference. Who are they? Those who saved in drachmas, those who receive large salaries and large pensions (through the fiscal drag) and those who have capital investments in fixed assets (for example, the depreciation was 50 percent lower than inflation during the last 5 years).

Price Explosion

That's who paid a large portion for the fall in national productivity (as well as the exports). But a large portion remains unpaid in the sense that it waits to pass into the prices (e.g., in the pharmaceuticals, beef, etc., etc.). This is the danger of price explosion after the 3-month ceasefire sought by Kedikoglou.

But the main effect of the fall in national productivity or the rise in nominal labor compensation in industry and especially in services 3/ was the existence of a demand level which could not be satisfied by the national economy. This resulted in excessive borrowing abroad which, as recently revealed by St. Manos, reached 24 billion dollars.

We conclude, therefore, that the typical cost of domestic products went up in 1 month from 100 to 105 drachmas, but without allowing this 5 percent to pass into the final prices. Who absorbed it? The profit ratio of the producer or the merchant. But this ratio which is proportional to the initial price, e.g., 30 percent, will go down to 8 percent in 9 months and will disappear in 1 year if the price freeze continues. In that case, of course, the business will go bankrupt because the producer or the merchant will be forced to "eat up" his own capital.

A Machinery for Unemployment

Kedikoglou says yes "because the basic feature of our policy with regard to the productive process is to prevent the increases in costs to have multiplying effects on the price increases." This is an attractive idea, but what is behind it? What else than the old view that the merchants and producers do not create but exploit capital. But if that were true, these people would not have undertaken business risks, would not have personnel, would not have obligations. They would have put their capital in the bank and would live well and tax free (but in the last analysis not even the banks exploit capital --they market credit and credit has its own insurance premium).

It is evident that Kedikoglou has metaphysical ideas about the economy which only in Khomeini's 4/ Iran can be found in this day. If anyone doubts this, let us present one more quotation from his inspired speech--without any other comment. "It must also be understood that the rise in prices is less from the interest paid to bank deposits and the Greek worker or employee has no reason not to adjust his demand to current needs."

1. Fifty-four drachmas per kilo.
2. The devaluation of the drachma affects indirectly the domestic prices through the ensuing price increase of Greek export products at higher prices in drachmas up to a point--something usually overlooked by the officials. The same is the effect of subsidies.
3. The effect of the increase in industrial wages is greater on services because there the labor cost is greater than in industry.
4. Khomeini claims that the Koran does not allow the payment of interest and has abolished the payment of interest to bank depositors in Iranian banks. Yet, Iran receives interest for its deposits abroad.

7520

CSO: 3521/214

ECONOMY MINISTER ON DEVELOPMENT OF BIOTECHNOLOGY INDUSTRY

Athens I KATHIMERINI in Greek 24 Mar 84 p 9

/Text/ "Our country must today make a special effort to incorporate the presence and development of knowledge into the overall developmental process. This is an effort which must be incorporated into a comprehensive branch program of industrial policy which will assume positive and mutual effects between the economic-social development and the promotion of productive knowledge."

This was stated by Alternate Minister of National Economy K. Vaitzos in his speech at the presentation of the Greek Company of Biotechnology Vioellas to the scientific and related professional circles in the country. He added:

"The Vioellas is part of the effort in the sector of technology. Characteristically, from the very first days this government assumed responsibility, the premier himself spoke specifically of the need and defined the character of the effort required to respond to the challenge and for our country to grasp the developments taking place, especially in two sectors: biotechnology and the branch of microelectronics--information. These are branches which will radically affect the distribution of productive activities in the next 10 to 20 years. It is in this timeframe that we view the effort starting today with Vioellas, giving at the same time the opportunity to those countries and those companies which today undertake initiatives to participate in the distribution of benefits in the products and in the opportunities of today's technological revolution.

"This is a specific position and commitment of the present government. Therefore, we today greet the existence of Vioellas which will be used by the state as the channel for investing considerable resources in the next 3-5 years, amounting to more than 5 billion drachmas in branches which relate to biotechnology and its activities, the production and creation of further knowledge associated with the new productive activities which will emerge. At the same time /the government/ continues /to implement/ the commitments it has made to create and strengthen the existing infrastructure: education, research, and other components, since these branches do not require natural resources, capital or labor, but knowledge--the production of knowledge and organization --which will allow the utilization of developments in these sectors and in the production and cognitive sector."

7520

CSO: 3521/214

NEW ALONNISOS AIRPORT PLANNED FOR 1985

Athens TA NEA in Greek 28 Mar 84 p 3

/Excerpt/ A community airport is being built on Alonnisos in the Northern Sporades on the initiative of the local self-administration and with financial assistance from the state and local inhabitants. The Alonnisos airport under construction --estimated to cost 25 million drachmas-- is expected to begin operations in the summer of 1985.

The local inhabitants have up to now collected about 600,000 drachmas. The remainder will come from the Regional Development Fund of Magnisia Nome.

The YPA /Civil Aviation Service/, responding to a request by 5,000 Alonnisos inhabitants, has set up a special task force that recently visited the island and selected the site of the future airport, located at Agios Konstandinos, some 11 kilometers from the capital of the island.

The new airport will service only Olympic Airlines flights but because of the great length of the runway (1,800 meters) it is expected that it will also service large foreign aircraft.

In this way, the Skiathos airport will be relieved of the congestion of charter flights, while the neighboring island of Skopelos will be served.

Construction work began 6 months ago with the first phase entailing construction of a 2-kilometer road leading to the airport. At the same time, topographic studies of the landing strip have been made.

5671

CSO: 3521/229

BURDENSOME PUBLIC SECTOR SAID CONTINUING TEST FOR COALITION

Reykjavik NEWS FROM ICELAND in English Apr 84 p 8

[Commentary by Finnur Geirsson, economist at the Icelandic Chamber of Commerce]

[Text]

Iceland is no different from most other countries when it comes to the expansion of the public sector. As an example, from 1970 to 1983, total taxes as a proportion of national income have increased from one-third to almost one-half. At the same time the number of public employees has almost doubled with the result that the public sector now employs 28.5% of the Icelandic work force.

Like its counterparts in Britain and the United States, the present Icelandic government has enthusiastically declared its goal of reversing this trend (in particular, the representatives of the Independence Party, the larger of the two parties forming the coalition government). The government had planned to reduce taxes, sell public enterprises, encourage efficiency and rely more on the profit-motivated individual who it believed was more likely to economize and contribute to economic growth than the government official.

As is well known in Britain and the U.S., the goal of privatization has proved to be a very difficult task, the public sector being far too rigid. This is being exemplified in the enormous and ever-growing budget deficit in the U.S. which has resulted in

high interest rates, an overvalued dollar and possibly a drag on economic growth.

Icelanders now seem to be experiencing the same difficulties of keeping public expenses under control. It was revealed recently that in order to make ends meet the government now needs almost 2 billion Icelandic krónur (\$60 million), equivalent to 10% of total state expenditure.

In a speech to Parliament, the finance minister listed the reasons for this "unexpected" gap in the budget. Money was needed to finance fully the social security system, the judicial system and education, besides fulfilling promises of export subsidies on agricultural products. Recent wage contracts which slightly exceeded the limits set by the government in its budget plans did not prove to impose a serious burden on the budget since higher purchasing power would increase tax revenues. According to the finance minister, the solutions to the problem remain to be found, but he emphasized that this was nothing new; former finance ministers simply had not revealed the problem to the public beforehand.

There are basically three types of solution currently being debated, none of which seems easy. They are all familiar to U.S. citizens who are experiencing the same problem, although circumstances may be somewhat different.

The government could raise taxes so as to increase its revenue. This, however, would be a blow to the government's policy of reducing taxes and restoring incentives to work and produce. And it may take away the popularity which the government seems to enjoy at present due to its success in the fight against inflation. Also unpopular is the second way out, cutting expenditures, although this is considered by most people to be the most feasible solution — in particular, by those who will not be that much affected. Finally, under these circumstances, it is always tempting to delay the problem and borrow money to bridge the gap and hand the problem over to the next government or next generation of taxpayers. Besides being no solution, however, borrowing from

abroad, which has been far too tempting during the last few years, may have exceeded dangerous limits already. Foreign loans are now close to 60% of GNP, one of the highest in the world. Borrowing money domestically, which has proved to be the "way out" in the U.S. and forced interest rates up, isn't going to be feasible as it would probably intensify the recession.

It is very important that the government does not take the easy way out and borrow money in order to gain short term popularity — or rather, avoid unpopularity. And although imposing taxes would be a more responsible solution, it is likely to delay the recovery from the recession. Furthermore, such a move would be a detour from the government's goals of giving individuals more freedom to operate which may be an important factor for the economy's revival. The most sensible solution, although admittedly one which is likely to be resisted most, is cutting government expenditures.

A recent opinion poll indicates that the government enjoys relatively high popularity, something which may be attributed to its successful fight against inflation. Taking the opportunity of reorganizing the economy now so as to relax the government's hold would be a good idea and one which is likely to contribute to a much-needed recovery.

CSO: 3600/27

PEACE ON LABOR MARKET

Reykjavik NEWS FROM ICELAND in English Apr 84 p 2

[Editorial: "Peace on Labour Market"]

[Text]

It is extremely important for the people of Iceland that peace has now been established on the labour market for the time being, and the periodic confrontations between unions and employers have been avoided this year at least. Both sides engaged in the recent round of wage bargaining have shown an unusual sense of responsibility, which is naturally a welcome development.

Together with the results achieved to date in the battle against inflation, the government's decisive measures and its firm and uncompromising attitude towards following them through have combined to create a new atmosphere in the country. Hopes are awakening that greater stability can be brought about, if all sides show caution and avoid actions which might put excessive pressure on the economy.

For this reason, many sections of the workforce have accepted the need for a temporary reduction in living standards. It can only be hoped that the coming period will demonstrate even better to the public as a whole the benefits of economic stability and the serious consequences of the nation living beyond its means.

CSO: 3600/27

GUIDELINES KEPT IN WAGE SETTLEMENT

Reykjavik NEWS FROM ICELAND in English Apr 84 p 2

[Text]

A peaceful summer has been assured on the labour front as the Reykjavik Transport and General Workers' Union (Dagsbrún) reached terms across the wage bargaining table with the Confederation of Employers. A similar deal has already been signed with the Ministry of Finance.

Following the overwhelming Dagsbrún vote against the wage agreement negotiated by the Federation of Labour on February 21, the new deal was reached with relative ease, given that it does not represent a radical reversal of previous terms nor a major departure from the guidelines laid down by the government in its wage policy. The Dagsbrún leadership, however, can claim a points victory for gaining certain further concessions, as well as disproving FL claims that a better agreement was impossible to reach.

Dagsbrún actually settled for exactly the same across-the-board rise agreed between the FL and the CE, 5%, backdated to February 21 — the first time the union negotiates a retroactive wage increase. The deal differs from the wages and welfare package (reported in NFI

March) on two main counts. Youth pay rates, introduced in February and the cause of a certain amount of discontent within union ranks, make a speedy exit from wage rates. Minor changes have also been made to pay scales, involving the abolition of the two bottom rates and an increment after 15 years' service with the same employer. Potentially of greater significance, the entire Dagsbrún pay scale is to be reviewed before the end of August.

No details have yet been released of the many special agreements on improvements to working conditions made with certain employers.

Talks are now to take place between employers and the FL on further adjustments to the February package in the light of these developments. Just how far the Dagsbrún concessions will be extended to the nation's workforce as a whole remains to be seen, although it is known that there will be no contention over abolishing special youth pay rates.

In terms of hard cash, the Dagsbrún settlement is far from toppling the general wage agreement negotiated in February,

and can hardly be seen as endangering the government's policy of wage restraint. Much more, it is a moral — and rhetorical — victory for the largest union within the FL, setting the tone for the next round of pay talks scheduled for the autumn.

For the time being, the unions seem unwilling to enter a head-on confrontation with either the government or the employers, tacitly admitting that Iceland's economic problems need to be solved by a national effort. At the vote on the pay agreement, however, Dagsbrún leader Gudmundur J. Gudmundsson wagged a finger of warning: "There will be no peace here if the pay scale review does not produce results."

FINANCE MINISTER GUDMUNDSSON FORCED TO ACCEPT WAGE PACT

Reykjavik NEWS FROM ICELAND in English Apr 84 p 5

[Commentary by Einar Sigurdsson]

[Text]

As the two sides engaged in the private sector wage bargaining stumbled to an agreement in closed sessions last month, Iceland's finance minister, Albert Gudmundsson, stumbled into the headlines over some unguarded negative remarks he made about the settlement. During a long and successful career, first as a professional soccer player in Britain and France, and later as a politician of unquestionable skill, Gudmundsson was no stranger to the headline writers. Now, however, he seemed to be playing in opposition to his own team of fellow ministers and even his own Independence party chairman. They had effectively sanctioned the agreements and indeed made them possible by adding some government funds to wage-rises offered by employers.

The private sector settlement was some points outside the 4% pay policy to which Gudmundsson had pledged himself — as had the government for that matter — and gone so far as to stake his job on it. When the settlement was reached he was abroad, and his own team of officials was still trying to hammer out agreements with the public employees.

The public sector was the focal point of Gudmundsson's 4% policy. Asked on television in Janu-

ary whether he would stick firmly to the 4% rule in negotiations with public sector workers, he said he would. When pressed on whether he would stand by his word and resign if that limit was broken, he replied with an air of what has now turned out to be passionate insincerity: "Have you ever known me not to keep my word?" We have — now. Because eventually, after the minister settled for almost a carbon copy of the private sector agreements, which were clearly in breach of the 4% policy, he did not resign.

Self-made Man

Gudmundsson had of course been put in a very difficult situation. After his dramatic statements, his own teammates in government cut the ground from beneath him by sanctioning agreements in breach of their avowed policy. To add insult to injury, Prime Minister Steingrímur Hermannsson suggested that public employees could not be offered anything less. Gudmundsson himself added to the political storm by sticking to his previous statements to begin with. Therefore his climb-down seemed all the more dramatic.

Although this does not seem to have done him much damage on the surface, in the long run it

may prove otherwise. Gudmundsson is a very special, and perhaps vulnerable, type of politician. He is very much a self-made man with little or no power base within his Independence Party's machine.

It can be argued that Gudmundsson's government partners never took his threat to resign very seriously. Their comments indicate as much. Many voters, however, did take him at his word, and from some quarters he gained admiration for his determined stand. For some weeks he enjoyed the reputation of a man who was willing to stake everything on a point of principle. Some thought it refreshing to hear a politician who was fed up with compromise. Such is not the art of governing said others, and thought it politically unwise to make such a determined stand on an issue that was clearly going to be decided by the government as a collective entity, and on which Gudmundsson had already been overruled when he made his comments. Most of those in the latter category were not surprised to see him budge. The former, however, felt severely disappointed.

Talent for Survival

There is no question that Gudmundsson is one of the most im-

portant IP politicians. More than once he has routed the chairman of the party in primary elections in the capital. He is a shrewd populist, and has frequently managed to appeal directly to the electorate, as it were, over the head of the party machine, some sections of which are known to oppose him strongly. During party primaries and general elections Gudmundsson has virtually run a private election campaign outside the party and relied heavily on his populist appeal. He has always proclaimed himself to be almost the only friend the "little man in the street" has in the corridors of power, and is widely known for his willingness to intervene personally and sort out people's private problems, which his opponents say is blatant vote buying and leaves him little time to focus on his proper job. Gudmundsson's populist stance, coupled with the image of a strong leader that he obviously coveted in the lead-up to the wage settlements, may make him politically a more vulnerable target than his more conformist party colleagues.

It is thought that he had plans to run for the office of president this summer against Vigdís Finnbogadóttir, the woman who defeated him and two other candidates for the post four years ago. He seems to have been well advised to stay away from such tests of popularity for the time being. In future, however, it is not possible to say whether his career will be dented by this winter's episodes. Gudmundsson is a populist with an apparent talent for survival.

CSO: 3600/27

DECISIONS NEEDED TO ENSURE ECONOMIC VIABILITY OF GAS SYSTEM

Copenhagen BERLINGSKE TIDENDE in Danish 23 Mar 84 p 10

[Editorial: "Energy Policy Thriller"]

[Text] The management of Danish Oil and Natural Gas, Inc (DONG) is now presenting the government with the problems in connection with the natural gas project. It is a question of an energy policy and an economic policy thriller. It is difficult finding markets for the Danish North Sea gas, for the sale of which contractual commitments have been made, and it is impossible to make the project economically viable. The situation necessitates a number of decisions which require cooperation from the government and the Folketing.

The natural gas contract with Danish Underground Consortium (DUC) was entered into long ago, and the investments in the natural gas have largely been made. For this reason, it is, indeed, true that the discussion of the mistakes of the past in the area of the energy policy may now appear less relevant. Nevertheless, it is, of course, interesting to seek to elucidate these issues independently. Much of the trouble has been self-inflicted. The consequences were pointed out in due time, but the criticism was being constantly brushed aside. It may be a vain hope to assume that the experience gained in connection with the natural gas project will make the state more cautious next time it considers launching any large-scale public investment projects.

However, it is now necessary to make the most of the present situation. It will be necessary to recognize the real problems, and not to try again to obscure the situation through political means as, for example, happened at the adoption by the Folketing of the natural gas resolution on 6 December 1983.

It will, moreover, be necessary to ensure that the measures to be launched will cause as few new strains on the economic policy and the energy policy as possible. The broad political responsibility for the failure of the project should not lead to decisions, the primary purpose of which will be to conceal, for the present, the consequences of the bad investments.

In this connection, there may be cause to point out that the idea of using excess natural gas quantities for burning in existing power plants appears to be rather ill-considered. Through large-scale investments, the power plants have been converted to coal-burning. It will cause unfortunate strains on the energy consumption if part of the power consumption will from now on have to be produced on the basis of the very much costlier natural gas. Providing the municipalities in the western regions of the metropolitan area with natural gas instead of the planned combined power and heating supply from a newly constructed power plant at Avedøre Holme, at any rate, appears to be a far more natural idea to consider.

Increased sales to the industries of natural gas through price reductions may also bring about advantages in the area of competition. Or it might be best to leave part of the natural gas in the North Sea for the time being. All of these things require, however, that the state now pays the bill which the natural gas politicians have long ago charged to the society.

7262

CSO: 3613/129

DECISION MADE TO EXPAND DAN FIELD: TO BE NORTH SEA'S LARGEST

Copenhagen BERLINGSKE TIDENDE in Danish 5 Apr 84 Sect III p 20

[Article by Lars Dyrskjot]

[Text] The decision to expand the Dan field by three new production and processing platforms at a cost of 4 billion kroner will provide vast employment possibilities for Danish enterprises. They have acquired extensive expertise in the offshore area via the Gorm and Tyra projects.

Over the next 2 years the Dan field will be expanded for 4 billion kroner and will thus become Denmark's new large oil field. Against the background of the experience gained so far in connection with the development of the Gorm, Skjold and Tyra fields, the major part of the work is, this time, expected to be carried out by Danish companies. The decision taken by the Danish Underground Consortium for the new Danish offshore activity is arrived at just when the activities in connection with the development of the Tyra gas field are beginning to slow down.

Over the next 2 years, 4 billion kroner will be invested in the expansion of the Dan field by two new production platforms and one processing platform, which, moreover, will provide housing for up to 64 people. During the first 10 years alone, the new Dan field will be capable of producing approximately 6 million tons of oil at a crude oil value at current prices of approximately 18 billion kroner. The profitability of the project thus seems to have been ensured. During the first production year of 1986 alone, 1 million tons of crude oil will be produced, equivalent to a value of 3 billion kroner. From then on, the rate of production will gradually decrease.

Approval

The "new" Dan field is expected to be approved by the Ministry of Energy in the course of 3-4 months. In the subsequent bidding, enterprises such as Volund and Monberg & Thorsen are expected to be awarded the construction of the three platforms. Volund will be best known for its work on the Skjold platform. The Danish element in the offshore constructions will, this time, become further reinforced in that the central processing platform of the new Dan field will be four-legged "only," and Danish enterprises master this technology.

Momberg & Thorsen, which has built several of the platforms for the Tyra field, recently decided to move its offshore department from Aalborg to Esbjerg. As a result of this, highly qualified certificate welders, who are scarce in Denmark, will be able to work on the platforms initially on land, and, subsequently, they will be able to participate in the installation work in the North Sea. Here, the Esbjerg Oil Field Service, which has been in charge of the installation work for the Gorm and Tyra fields, will, of course, also be interested.

New Modules

The Lindø shipyard at present has a vast knowledge of the construction of modules for Danish offshore equipment, and it, therefore, will be natural for Lindø to participate in the construction orders during the next bidding round. In addition, a number of Danish enterprises, such as North Schleswig Engineering Works and Hojgaard & Schultz, which have specialized in the construction of gangways, are expected to obtain orders.

The Dan field is Denmark's first oil field. The oil production began in 1972, but, from the very beginning, the production became a disappointment. The annual production from the original processing platform was planned to become 500,000 tons.

However, in 1973, the production amounted to 134,000 tons only. In 1976 and 1977, two additional platforms were added, and, in 1977, the production of the field reached the record-high level of 509,000 tons. Since then the production has been declining sharply from the original 18 oil wells. Half of them have been closed on account of the large gas content in the crude oil, for which reason the production last year amounted to 241,000 tons only.

Changes This Year

This year, however, a number of changes will be made in the plants of the original Dan field, so that both oil and gas from the existing 18 production wells will be conveyed together in the existing pipeline from the Dan field to the Gorm field. As of 1 October, the gas may be brought ashore for Dong in connection with the realization of the natural gas project.

Gorm, Center of Activities

By this means, the burning of gas in the Dan field is avoided, and the immediate oil production may be increased from 5,000 barrels of 150 liters per day to 8-9,000 barrels per day, which is an indication that the annual oil production from the old Dan field may be increased to 400,000 tons.

The "new" Dan field is being constructed 3-4 kilometers due west from the original Dan field. The distance from here to Gorm, which is still intended to become the central center in the North Sea activities of the Danish Underground Consortium, will be 20 kilometers. From here, all oil pipelines will emanate, and here they will all be gathered together.

The new Dan field will consist of two processing platforms, each with twelve wells. The A.P. Møller shipping company, however, will not in its application as concessionary require that "an excess of twenty" wells be used for production purposes. The remaining three-four wells are planned as observation wells. Since 1976 DUC [Danish Underground Consortium] has been working on the expansion of the Dan field.

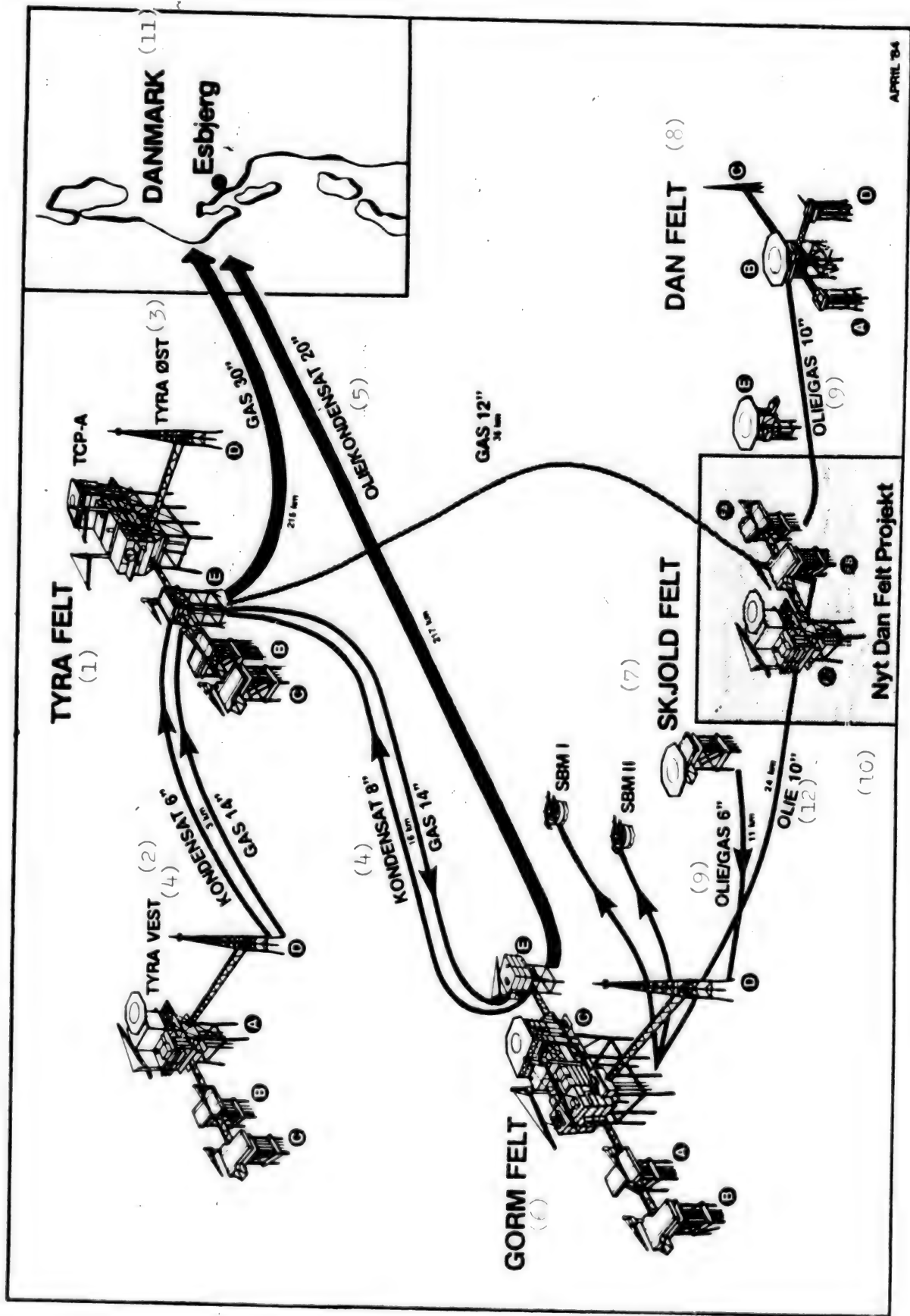
Two Hundred Million Tons of Oil

The new project has, among other things, been based on information obtained from two observation wells in the area. As far as size is concerned, the DAN field is Denmark's largest ascertained oil deposit with established deposits of approximately 200 million tons of oil. On account of the very dense chalk structure, DUC has hitherto assumed that only 10 percent of the deposits are exploitable. An increased number of drillings, perhaps combined with more advanced drilling technology, is expected to increase the production.

In connection with the start of production in the new Dan field at the end of 1986, the production in the hitherto Dan platforms is scheduled to become remote-controlled from the FC platform of the new Dan field. At the moment, there are six men at the Bravo platform of the Dan field and two men at the Ekko platform. At the FC platform of Dan, accommodation is being arranged for 64 men, but the manning is expected to become only half that number.

Other Fields on the Way

The Danish Underground Consortium is still working on the expansion of a number of other fields. In 1989, at the latest, the Roar field is scheduled to be ready to supplement the gas quantities from Tyra, that is to say that the decision will have to be made in 1987 at the latest. Before then, DUC will have to decide, among other things, on the development of the Rosa field, the Lulu structure and perhaps also Anne. This is where the first Danish oil find was made. For some time, the idea was to put the first oil production platform here, but the idea was given up, and the Dan location was chosen instead. At present, however, new drillings are carried out at Anne.



CAPTION, ILLUSTRATION

The DUC oil fields in the North Sea will look like this after the completion of the expansion of the Dan field at the turn of the year 1985/86. However, new projects are expected to have been developed by that time. The two pipelines for oil and gas, respectively, are shown in the center of the illustration. Both will be carried ashore north of Esbjerg.

Key:

- | | |
|-------------------|---------------------------|
| 1. Tyra field | 7. Skjold field |
| 2. Tyra west | 8. Dan field |
| 3. Tyra east | 9. Oil/gas |
| 4. Condensate | 10. New Dan field project |
| 5. Oil/condensate | 11. Denmark |
| 6. Gorm field | 12. Oil |

7262

CSO: 3613/130

SVALBARD IS CENTER OF SWEDEN'S NEW POLAR RESEARCH PROGRAM

Stockholm NY TEKNIK in Swedish 16 Feb 84 pp 74-83

[Article by Christer Larsson: "Now Sweden Enters the Great Power Game on Svalbard"]

[Excerpts] Now Sweden is on the way out in the cold. The country will be a polar nation again. It has been 50 years since Sweden sold its last fixed assets on Spitsbergen, barely one hour's flight from the North Pole. Now Swedish scientists will go there again. They are supported by a government which is determined to look after Sweden's interests in the Arctic. But what is up there in the polar area and what is behind this sudden interest? NY TEKNIK has traversed the most important areas on Spitsbergen. On the following pages we publish a dairy of the trip.

Three Important Decisions

With three important decisions the government is making a place for Sweden among the polar states of the world.

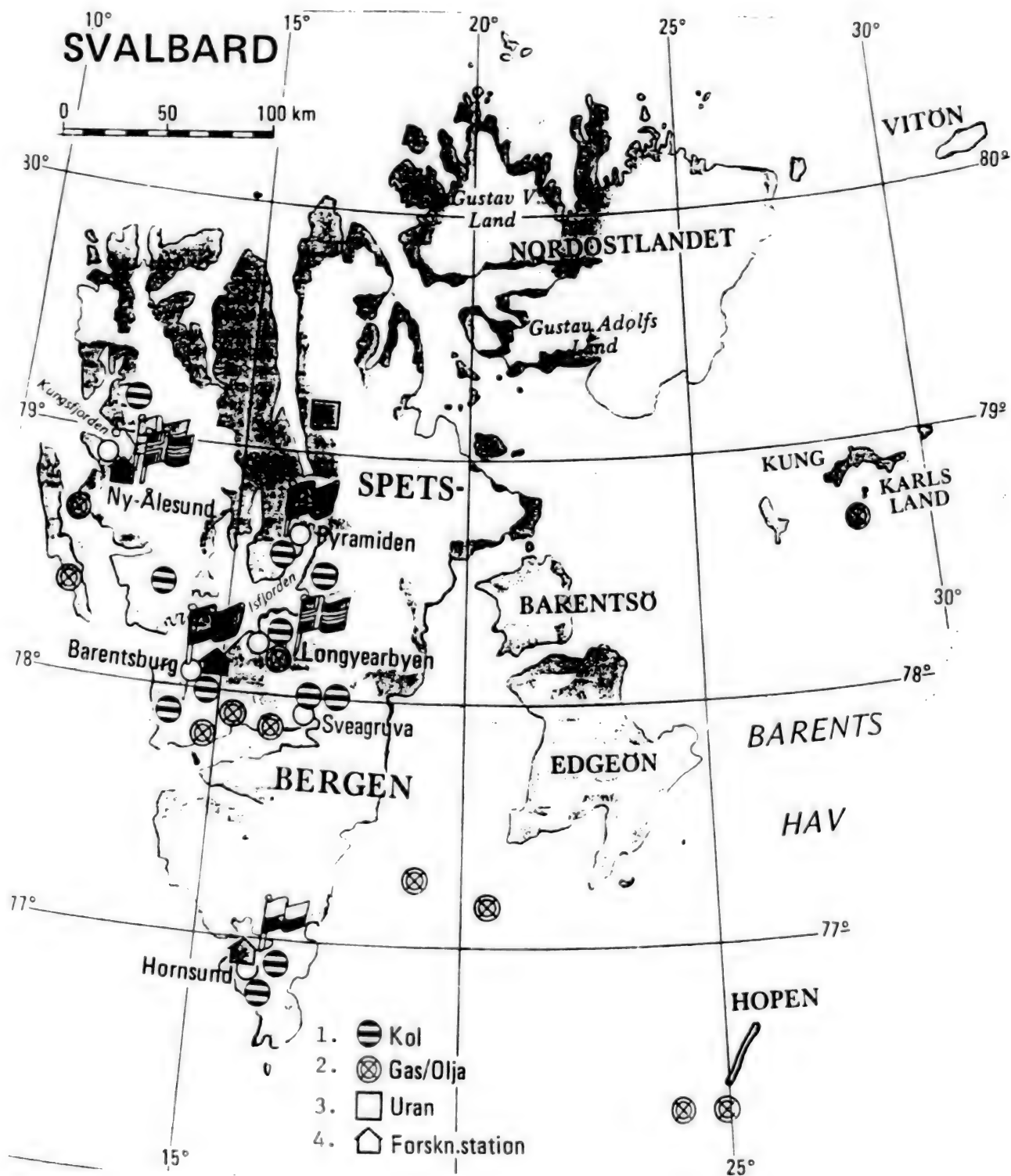
At the same time the government, for the first time, is taking a combined grip on developments by establishing a working group for polar questions directly inside Government House. There the interests of the various departments will be coordinated.

Within the Ministry of Industry a special control group is being created for ocean-industrial and arctic technology.

In a few weeks there will finally be a secretariat created for polar research which will be connected to the Academy of Science. One of the most important tasks of the secretariat will be to develop scientific cooperation with other states which have polar interests.

In addition the government previously decided:

1) to invest 20 million kronor on ocean-technical development and special technology for arctic conditions.



Key: 1. Coal
 2. Gas/oil
 3. Uranium
 4. Research station

In the Ministry of Industry it has been decided that there are very large deposits of gas and oil in the Arctic.

At the same time they say that the rapid development of Swedish offshore industry can produce great advantages in the area of arctic technology.

Within that area rapid developments are taking place. At the same time, Sweden is in the forefront.

2) to build close cooperation rapidly on polar research with other countries. Such discussions have been going on for a long time with Norway.

A first practical result is a common research laboratory for atmospheric chemistry.

The world's northernmost research station is going to be built at Ny Alesund on Spitsbergen.

At the same time other discussions are taking place with Canada, England, West Germany and New Zealand, which have all shown interest in different types of cooperation with Sweden in the polar areas.

Increased cooperation gives Sweden new possibilities to participate in otherwise very expensive projects.

A precondition for such cooperation is that Sweden makes it clear that it has a long term direction to its polar research. Such direction has so far been lacking.

3) to develop Sweden's ability to follow critical developments in the Antarctic.

Sweden was recently the 29th nation to sign the Antarctic Treaty and the Convention to Safeguard the Living Resources of the Antarctic.

That puts Sweden in contact with raw material and environmental questions in the region. It also creates better possibilities for comparing polar research in both the Arctic and the Antarctic.

The new change toward a more active polar policy has been under preparation for several years.

One of the driving forces has been the foreign minister's international law expert, Ambassador Bo Johnson-Teutenberg.

He believes that one reason for Sweden's present attitude is security.

"We will contribute to calm and reduced tensions, especially in the Arctic, which is quite close to us.

"By getting interested in developments up there, we can perhaps contribute to settling disputes which can crop up," said Bo Johnson-Teutenberg.

"A conflict in the Arctic would directly affect us in Sweden. Furthermore, the new law of the sea has in practice created such serious restrictions in free research that one simply must cooperate with coastal states if one desires to work in their waters. At the same time we want to counteract continued tendencies toward closure. Soon there will no longer be any free ocean areas.

"Sweden also has legitimate economic and industrial interests in the Arctic."

How has the rest of the world reacted to the policy which Sweden wants to conduct in the Arctic?

"We have received only positive signals," said Bo Johnson-Teutenberg.

Friday

The Unfamiliar Raw Materials War

The first thing one notices is the light! The ice-covered expanses reflect an unusual blue-green dawn light. A new day is streaking across Ishavet.

One can tell that it is freezing down there.

We are on our approach course over Isfjorden. Our goal is Longyearbyen on Spitsbergen.

Longyearbyen is something of a capital in the cold insular kingdom which is called Svalbard and belongs to Norway.

Spitsbergen is the largest island in that icy archipelago. From here it is barely one hour's flying time to the North Pole.

Still the SAS aircraft from Tromsø is full. It is noted that many of the passengers have flown this route several times before.

Despite the isolation and the forbidding climate over 4,000 Norwegians and Russians live up here. Year in and year out.

About 10 Poles live in their own permanent research station. The Swedes can be counted on the fingers of one hand. That's all.

What are all these people doing? Why did they come here? Where are all the vast raw materials that everybody talks about? Are they under the ice and permafrost, or at the bottom of the sea?

What are the Swedish interests up here in the Arctic? Interests which more and more scientists, industrial leaders, diplomats and politicians say that Sweden should invest in. And fairly soon.

The landing lights flash by. We have landed at Svalbard's only international airport. From here there are regular flights every week to Tromso and Moscow.

We have come to a border land which both West and East are, in some ways, sitting astride. And in the middle of one of the world's most highly charged military areas.

Off of here there is a network of closely watched channels used by the superpowers' nuclear-armed atomic submarines. The entire area is a powder magazine of the newest in the naval arsenals of the superpowers.

It is here under the polar ice that the powerful submarines can hide and guarantee the enemy a frightful retaliation in case of a war.

And the world's largest special naval base--Murmansk--is barely one hour's flying time from here.

All this has consequences on Svalbard.

The status of the island group is guaranteed by an international treaty which gives Norway supremacy, but at the same time gives all the signatory powers the right to conduct research, prospect and extract resources in the same way as Norway. Sweden is one of those signatory powers.

Furthermore Norway must guarantee that Svalbard will remain demilitarized.

That means that both West and East are keeping a close and steady watch on everything which happens up here.

A giant Norwegian settler in a floor-length wolfskin came through the arrival hall, carrying a shining automatic rifle. The baggage arrived. The polar bears are said to be intrusive this year.

Science as a Spearhead

The Norwegian governor of the archipelago, Carl A. Wendt, has no doubt about the future of the barren island.

"We are going to see a growing foreign interest in Svalbard," he said.

"All the more countries such as Sweden, West Germany, France, United States, yes even Japan are coming here with different research projects.

"But research can also be used as a spearhead when one is searching for oil, gas and coal, as the Soviet Union, Poland and Finland are doing, and as Sweden did previously.

"In that search there is a risk that large parts of Svalbard are being destroyed. We have a sensitive environment up here, which has little or no possibilities to heal its wounds," said Carl A. Wendt.

The hunt for raw materials is a key phrase on Svalbard. Furthermore it is also tied to research. The sunset is blood-red over Isfjorden outside the governor's window.

Saturday

The wind died down during the night. It is important for our purposes to reach the northwest region, across Isfjorden and Oscar II land.

The goal is the old mining community Ny Alesund, which is now the center for a number of Norwegian and international polar research activities.

It is also here that a group of atmospheric chemists from Stockholm University are on their way to set up a permanent Swedish-Norwegian research laboratory--the first in modern times and a new hope for Swedish polar scientists.

The old mining town is the world's northernmost civil community, and is populated the year round. They say that proudly in Ny Alesund.

Today there are only the remaining mine galleries, some dwellings and mine buildings remaining from the old era. A bad fire put a stop to coal mining shortly after it began.

Center for Research

It was many years ago, but one can still notice the poisonous gases which seep out through the porous rock.

Today Ny Alesund has been changed to an effective center for polar research for several countries in the Arctic.

The heart is the Norwegian Polar Institute's research station, which stands like a church in the middle of town.

We visited scientific research rooms, laboratories, shops and administration. On the roof there were numerous meteorological instruments.

Other equipment measured the spectra and intensity of the sunlight.

"Do you see that lone cabin up on the mountain?" said station chief Carl Sletten, pointing to a little dot several kilometers away.

"That is where our seismographs are located, which record most of what is happening in the bedrock.

"Here you see the evidence of a series of underground nuclear explosions in the Soviet Union," explained Carl Sletten.

He showed a seismogram with a tight series of distinct curves.

Svalbard does not need especially large explosions in the mine galleries to cause the seismographs in Ny Alesund to jump into action.

In the sensitive conditions between Norway and the Soviet Union these seismographs are a discreet means of keeping an eye on what the Soviets and other colonists are doing underground.

Sunday

This is the day of the exchanged roles. The neighbors from Barentsburg--the central Soviet place on the other side of Isfjorden--are on their way to Ny Alesund in three heavy helicopters.

The entire Soviet leadership has announced its arrival, with Consul Sergey Stolpovskiy at the head.

"Purely a power demonstration," muttered station chief Carl Sletten, who alone comprised the Norwegian reception committee. One suspects that the cool Norwegian reception was not without political significance.

One after another the helicopters appeared as black dots between the mountains in the southwest. They flew in over the radar domes used for the observation of the northern lights and the hangers for the taxi aircraft. But they did not land.

Their speed was great. The noise was deafening. After two low passes over the settlement they came in to land. The doors flew open before the rotor blades were stopped.

There were 15 people in the Soviet group. Five were to guard the helicopters.

Carl Sletten can crowd five passengers into his truck cab.

That meant that five guests had to walk the kilometer-long road from the airport to the town.

Breath steamed in the bitter cold.

Nothing happens by chance on Spitsbergen--not even this. All actions are carefully planned, but seldom coordinated between Norway and the Soviets.

The whole affair reminded one of a chess game between two completely different personalities.

Soviet Protest?

One is obviously a defensive player with the clear advantage of home ground.

The other is an incurable attack player with the disadvantage of playing away from home.

That was the psychological background when we were suddenly invited to the Norwegian-Soviet hospitality table, which smelled of vodka and pickled herring.

Station chief Carl Sletten made a quick castling of his own. He arranged an invitation to Barentsburg.

It has been less than 2 weeks since a Norwegian TV team was denied a visit.

Now we have suddenly been informed that we are welcome whenever it suits us.

Spirits were high when the guests said goodbye. But there was to be one more surprise in the day.

At the same moment as Stolpovskiy's helicopters lifted off toward the southwest, the Norwegian patrol ship "Senja" steamed in toward the pier from the north.

The ship was armed and manned by the Norwegian Navy. Furthermore the ship's Sea King helicopter took to the air to keep an eye on the Soviet departure.

A Soviet protest was surely considered back in Barentsburg.

The Soviets consider both the ship and her helicopter as violations of the demilitarization agreement.

Norway considers that the ship is civilian and belongs to the coast guard. And Norway points out that the Soviet helicopters are equipped with permanent fixtures for machine guns and rockets.

"It was really just chance that we came in just now," explained "Senja's" commander, sinking down in an armchair when the ship was securely moored.

"Nothing happens by chance here," explained a veteran of the research station later in the evening.

Defections Carefully Prepared

"There is no opportunity for Polish and Soviet telegraphers to defect when their consul is in the vicinity with his helicopter." That is how it was here in Ny Alesund.

"The telegraphers have been in radio contact with the West. Defections are expected. The reception is in place. Nothing happens here by chance."

Monday

A new day awakens reluctantly out of the cold. It is no more than 10 minutes walking distance from the guest house of the Polar Institute to the workplace of the atmospheric chemists on the edge of the town.

But after crossing newly made polar bear tracks when half way there, the last minutes seemed like an eternity.

Inside the scientists' aluminum barracks buzzing and clicking came from instruments and recorders which covered the walls and floor. Near the door stood an old mauser rifle.

"If a polar bear comes he can always be chased away with that," said Dave Cowart and Val Vitols, who share both the rifle and the narrow space in the laboratory.

They are Americans, and are participating in an extensive research program studying the transport of air pollution in the polar area. A research group from Stockholm University also participates in that program. Dave Cowart is a member of that group.

It is also this Stockholm group which will equip a new and more advanced atmospheric chemistry laboratory in Ny Alesund. Norway will provide the housing.

Sweden's Platform in the Arctic

The investment is financed by the National Swedish Environment Protection Board and the Wallenberg Foundation. It will be Sweden's first role in a permanent research installation in the Arctic in modern times. But probably not the last. The government's research bill is going to indicate that in a few weeks.

In it the government will recommend that Sweden build up a permanent secretariat for polar research, in order later to engage in long term scientific projects.

They are especially talking about cooperation with Norway. That has already begun in Ny Alesund, even though it is lagging until the equipment is in place.

The new atmospheric laboratory is going to be based on an automatically driven and computer-controlled sampling and preliminary sorting of results.

Among other things the equipment will automatically be able to differentiate between local air pollution from Ny Alesund and that which comes from the continents.

One of the components of the measuring equipment is an early antisubmarine device which measures and sorts carbon particles in the air.

The equipment is so sensitive that it reacts even if one breathes downwind in its direction.

The measurements made so far on Svalbard indicate that alarmingly large amounts of air pollution are transported from the industrial countries.

That especially applies to the layer of atmosphere at 1,500-3,000 meters. There the pollution can be just as great as at the ground level on an average day in Stockholm's inner city.

This discovery means that much faster pollution of the sensitive polar area is taking place than was previously thought.

Global Consequences

That can in turn affect the delicate temperature balance which controls ice formation and ice melting in these latitudes.

That is in turn decisive for deep water construction over large parts of the northern hemisphere.

The margins are small and fragile in the Arctic. One single degree of temperature difference over a long time can have extensive consequences on vast areas both in the north and the south.

Therefore a large number of countries are participating in these atmospheric chemistry projects in the Arctic.

"The only important exception is the Soviet Union, which will neither cooperate nor release its own measuring results in this area," said docent Jost Heizenberg of Stockholm University, who leads the Swedish part of the atmospheric program on Ny Alesund.

"Personally, the Soviet scientists would like to cooperate, but they are prevented for political reasons," he said.

"Our international measurements indicate that at least half of the air pollution in the area around Svalbard comes from the Soviet Union," said Jost Heizenberg.

Raw Materials and Technology

Yet it is not so simple that it is just the hunger of the industrial countries for scientific facts which impels research up here. Several projects also have other driving forces. That is true of both West and East.

Polar research can be an uncomplicated way for new nations to become involved in the Arctic, and a relief valve for those already established to gather quickly around their interests and areas.

That can apply to the search for new sources for raw materials, marketing possibilities for mining and offshore industries, development possibilities for polar technology, security policy and military decisions.

Tuesday

The small taxi aircraft stood outside the hanger warming up its engine. We will fly south, back over the glaciers, Isfjorden, Longyearbyen. We will continue south over Rendalen to the remains of the turn-of-the-century Swedish settlement, to the modern raw materials exploitation, to Svea mine and Svalbard's black gold.

The place is still called Svea, and the Norwegians prefer to retain that bit of Swedish prehistory. Svea hardly has the same luster as Ny Alesund, as it lies between massive mountains of mined coal.

Here the structures are simpler and include more barracks than Longyearbyen and Ny Alesund. From the center it is only a few hundred meters to the entrance to the mine. Heavy trucks with howling motors carry coal in shuttle traffic. The coal is dumped on a massive mountain of mined coal near the loading pier. Black coal fragments glimmer weakly on the walls and ceiling of the minshafts.

The proud production plans from 1976 of between 500,000 and 1,000,000 tons of coal per year from the Norwegian coal mines on Spitsbergen are now being revised downward again. That worries most people.

Instead of 400-500 Norwegian miners employed, the Stora Norske Spitsbergen Kolkompani is retreating month by month. The question is only how far and how much longer?

The problem is the sinking world market price for coal. At the Stora Norske they are very worried these days. The price collapse is going to double during 1984, according to their latest estimate. That means double the losses.

That has caused labor leader Svein O. Sorensen to take up the sledge hammer in the local newspaper SVALBARDPOSTEN:

"The politicians must wake up. In the Soviet Union 700-800 million tons of coal are produced each year. Still the Soviet Union has 2,000 men on Svalbard who only produce 300,000 tons. Why?

"Production is not important, the Russians are on Svalbard to protect the Soviet Union's strategic interests."

Conflicts Going On

If Norway now reduces its manpower, the country's control over Svalbard may be lost, according to Svein O. Sorensen.

It is an old conflict which is now arising again. Coal production does not have nearly the value which many pretend.

For the Soviet Union the coal from Spitsbergen is only a drop in the bucket--and expensive at that. The Soviets do not produce half as much coal as Norway, in terms of the number of employees. Efficiency is low and the coal quality is miserable.

For Norway the coal mining is also a considerable business in relation to the world market price. But Spitsbergen is the only coal source they have, and furthermore they have the only mineable resources, according to international observers.

Therefore a rapid and extensive exploration is now taking place for new and more profitable raw materials around Svalbard.

LKAB [Kiruna Mining Company AB] has also taken part in the hunt for minerals on land, but withdrew.

The hunt for oil and gas on the continental shelf around Svalbard has been most intensive. The shelf is both unregulated and disputed, and is still a source of future conflicts.

Salens has made an attempt at oil and gas drilling on this shelf, but later sold out its share.

No other Swedish interests have as yet indicated any large plans.

On the other hand Poland, Finland, West Germany, France and Switzerland have, besides the dominant Norwegian and Soviet interests.

Wednesday

Suddenly the Svea mines are far behind and below us. It seems that we are flying over another country. We see the red flag with the hammer and sickle before we pass the radar station. We are on our way down with the Cessna. The ice looks rugged and not especially inviting. But we have been told that it will be all right.

The Cessna pitched about uncomfortably. We bounced several times, and thought about the thin light metal of the aircraft skis. When we finally stopped we saw three black snow scooters with three completely masked individuals coming full speed directly toward the aircraft. There was something unreal about the whole scene.

"Sergey Lusan, vice consul," said the first, and pulled off his face mask.

"Petrov, vice consul, welcome to Barentsburg," said the second.

"Pritsepov, I am the interpreter," said the third.

We each straddled our scooters for the first ice-cold leg to the consulate. Their the friendly consul Sergey Stolpovskiy was waiting with coffee, Armenian cognac and pralines.

We were seated on a sofa beneath a large portrait of Yuriy Andropov. There we received the first lecture on the importance of relaxation of tensions and good neighborly relations in the area, that problems should be solved through negotiations, but that the question of the unregulated continental shelf should not be solved now, it should rest awhile.

But the consul admitted that the Soviet Union has a problem on Spitsbergen. The meager coal production at Barentsburg and Pyramiden must be made economical.

"We are working to reduce costs. One way to increase production is to pay a higher wage," suggested vice consul Sergey Lusan.

"See how we did it with the fresh water shortage. We tried for a long time to find a good source of water--but without results. Then we advertised a bonus, a reward, and soon the problem was solved."

More Research

"That means that we can reduce the number of miners but increase the number of scientists instead," pointed out Dimitriy Petrov.

"We already have a new research station in Barentsburg. In the future we will have scientists working here the year round.

"Geology, glaciology, archeology and geophysics are going to be our most important areas of research on Spitsbergen."

Consul Stolpovskiy tapped carefully on his wristwatch and indicated it was time for a good lunch.

On the way to the dining hall we passed the polar museum which was opened during the lunch hour for our sake.

A stone's throw farther the representational dining hall was waiting. It was extravagantly decorated with flowers and silver. Sergey Lusan gave the welcoming speech, and proposed a toast, the first of a long series.

We especially asked to meet the national coal company's vice director, Sergey Tikhonov. We wanted to discuss the coal economy and different mining methods.

We asked several questions about caving methods. It is a technique which maximizes coal extraction in comparison with conventional methods. The mountain simply falls together as the last coal pillars are removed.

But Sergey Tikhonov had never heard of the caving methods which the Norwegians are now testing at Longyearbyen.

Sergey Tikhonov hardly had an answer for any other question about coal production--either on Spitsbergen or in the Soviet Union.

Specialists Without Knowledge

In Longyearbyen lists of names of Soviet coal specialists are circulated who know surprisingly little about coal.

The coal company's vice director Sergey Tikhonov was and is one of these. Whatever that signifies.

Lunch took over 2 hours. One-half hour remained before we had to board the old Cessna again. We managed to have a look at the nearest new monumental research buildings in brick and concrete.

We said goodbye to our hosts on the ice. Still we left Barentsburg with an unpleasant feeling of not having seen the real driving forces behind what is apparently happening there.

We will never forget that feeling.

This Is How Sweden's Occupation Began

It was trappers and accomplished scientific expeditions which began the mapping and assessing of Svalbard's natural resources.

One of these early scientists was the famous A. E. Nordenskiöld. His mineral studies founded a Swedish phosphate mine on Spitsbergen in 1871.

Another early scientist was Gerard De Geer, professor of geology at Stockholm University. In 1908 he found several promising coal deposits at Pyramiden on eastern Spitsbergen. But he was not alone.

In the spring of 1910 the Swedish Ironmasters Association and the transport company Grangesberg-Oxelösund (TJOJ) decided to send out an expedition to occupy the coal-bearing area of Spitsbergen.

They wanted to ensure the critical supply of coal to the Swedish iron industry for all time.

No Man's Land

Spitsbergen was a no man's land. It was considered to be there for the taking. At that time there were still white blotches on the maps of the Arctic, and the sea was the property of all or none.

In June 1910 the Swedish motor launch "Vega" anchored off Pyramiden where De Geer had previously found good quality coal. The occupation force of the Ironmasters Association was there. Three signs were erected which read: "Swedish Occupation for Coal Mining."

It was thought that Sweden had come to Spitsbergen to stay. New coal-bearing areas were occupied farther to the south.

Short But Intensive

In 1917 Spitsbergens Svenska Kolfalt AB was founded. Two fully loaded ships brought over Swedish workers for the growing mining activity.

The same year mining began at the Svea mine, with apparently endless reserves.

Engineer Bror Granholm from the Skanska Cementgjuteriet was appointed the leader of the activity.

Swedish coal mining on Spitsbergen was short but intensive. In 1925 a bad fire broke out in the Svea mine. The activity was paralyzed and the Swedes went home. For 9 years the mine stood abandoned.

In 1934 the Swedish Riksdag decided to sell all its assets to Norway for one million kronor. That was exactly 50 years ago.

Today Norway is conducting large-scale coal production at the Svea field. Svea continues to have the largest known coal reserves on Spitsbergen.

In Pyramiden where Gerhard De Geer made his first coal discovery and the Ironmasters Association proclaimed Sweden's first coal occupation, the Soviet Union today conducts its second largest coal mine on Spitsbergen.

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CSO: 3650/161

CANADA DISPUTES OWNERSHIP OF ISLAND OFF GREENLAND

Copenhagen BERLINGSKE TIDENDE in Danish 5 Apr 84 p 7

[Article by Bo Dræbel]

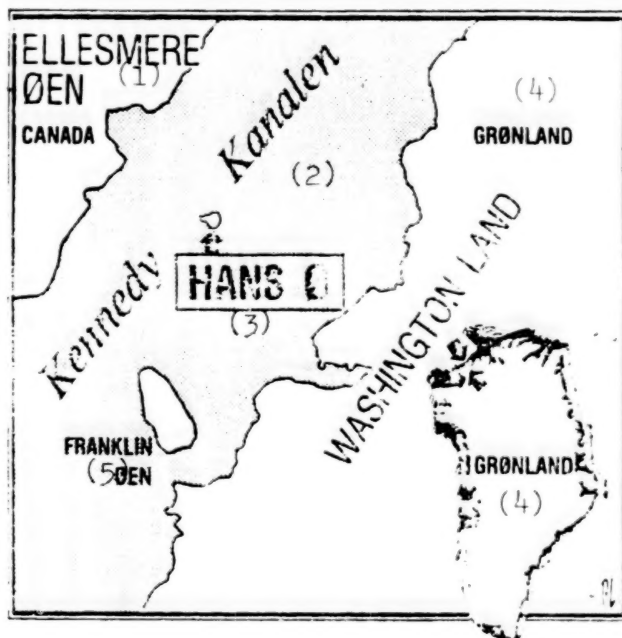
[Text] Canada is in the process of conquering a tiny uninhabited rocky island from Denmark. It is the Hans island which is located halfway between the Canadian and the Greenland coasts in the Kennedy Channel. The island is only 3 square kilometers and is covered with ice.

Both Canada and Denmark claim to own the island of Hans, but the Canadian writer and historian Kenn Harper says that Denmark has forfeited its right to the island by never showing up on the island. For, according to the international law, one has to display "effective occupation" in order to be able to continue to exercise sovereignty over a territory.

The Canadians are doing this with all their might. The oil company of Dome Petroleum has since 1980 been carrying out scientific tests on the island during the summer season. The company measures the pressure of the ice on the island of Hans and intends to use the results for the construction of artificial islands in the Baufort Sea, where oil exploration is being carried out.

Both the Ministry of Foreign Affairs and the Ministry of Defense reject Kenn Harper's theory. Last summer, an aircraft of the Danish Air Force flew over the island to maintain Denmark's sovereignty over the island, and of recent years, the Ministry of Foreign Affairs has been intensifying the standing contract with Canada concerning the island. The fact that the borderline at present stops at the tidal mark in the southern part of the island of Hans and continues from the tidal mark at the northern end of the island has been intended as a demonstration of friendliness while the negotiations are going on concerning the boundary marks of the shelf.

The island about which Canada and Denmark are disputing was named after the Greenlander Hans Henrik from the village by the name of Fiskerøset. In 1871-1873 he participated in an expedition to Hans. However, the island was not put on the map until many years later. The Greenland traveller, Lauge Koch, D. Phil., saw to this after the second Thule expedition in 1917-1923. His map number 11 of a set of maps issued by the Geodetic Institute in 1932 is still the only map showing the island of Hans.



Key:

- | | |
|---------------------|--------------------|
| 1. Ellesmere Island | 4. Greenland |
| 2. Kennedy Channel | 5. Franklin Island |
| 3. Hans Island | |

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